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EIGHT PAGES FROM SUNDAY'S
The New York Times
WEEKLY REVIEW
INSIDE TODAY

'Begun under house arrest'

By DAVID BAKER
For The Jerusalem Post

Yosef Begun was reportedly under house arrest yesterday, with his telephone disconnected, after a KGB swoop that foiled a planned morning demonstration to protest against anti-Semitism in the Soviet press, according to Western correspondents in Moscow and Soviet Jewish activists in Israel.

This is the second time that an attempted protest against anti-Semitism has been prevented. In September, permission was requested for such a protest; but when it was refused, the demonstrators decided to call it off.

Only a few hours earlier Begun had announced that he would be leaving for Israel soon, after the rest of his family were also granted exit visas.

At least 20 other protestors, including the editor of *Glasnost*, Sergei Grigoriants, were arrested in yesterday's sweep. *Glasnost* is the premiere dissident magazine published in Moscow since last summer, and hitherto has not been harassed by the authorities.

Also arrested was Vladimir Pimonov, a 32-year-old journalist who wants to emigrate to Denmark to join his wife and daughter.

According to Soviet Jewish activists in Israel, who were in touch with Nina Nadgorny, one of the protestors, the KGB was informed last week by the protestors themselves, of the planned rally outside the Soviet Foreign Ministry press centre; but dozens of KGB agents swooped down on the homes of the activists.

Pimonov managed to reach the planned rally site, but was surround-

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Rampage triggered by news that Cuba ready to take some refugees back

Cuban refugees hold 20 hostage in Louisiana

OAKDALE, Louisiana (AP). – Cuban refugees at a federal detention centre were holding more than 20 people hostage last night after going on a rampage that left 17 people injured and four buildings burned, authorities said.

The riot that began Saturday evening was triggered by the announcement in Washington on Friday that Cuba had agreed to take back about 2,500 refugees who came to the U.S. in the 1980 Mariel boatlift, said a spokesman for the Cubans.

About 1,000 of them are in the Oakdale facility, and they don't want to be sent back to Cuba.

The Mariel boatlift – named for the port in Cuba from which the refugees left – refers to the period between the spring and summer of 1980 when more than 125,000 Cubans were allowed by their government to go to the U.S. Of that total, about 2,700 were deemed "excludable" under U.S. law because of mental illness or non-political crimes in Cuba. It is these "excludables" that Cuba has now agreed to take back.

Federal, state and local law enforcement officers surrounded the detention centre outside this southwestern Louisiana town of 7,000.

"We believe we will eventually get our staff members out of the facility and regain control of the institution," Luenette Johnson, a spokeswoman for the Immigration and Naturalization Service (INS) bureau of prisons facility, said yesterday morning.

The Cubans held 28 guards and staff members early yesterday but released a few who complained of medical problems, said Johnson, warden of the sprawling complex, built in 1985 as a minimum-security holding centre for illegal aliens. Johnson did not say how many people had been released.

Officers did not plan to go inside as long as the inmates assured them that hostages would not be hurt.

A two-storey administration building, a cafeteria, a chapel and an INS processing centre were set ablaze Saturday, Johnson said. By mid-morning yesterday, the fires were out, but a light pall of smoke still hung over the brick and cinderblock buildings.

"Those inmates took the radios, the nightsticks and the teargas away from the federal guards," said Oakdale policeman Herman Perkins, who was on the scene when the riot began about 7 p.m.

"They didn't have any other weapons except what they could pick up or tear loose. We all got teargassed," Perkins said.

Congressman Clyde Holloway and three reporters were taken separately to a building at the entrance to the 48-acre compound, where they talked with some inmates by radio.

An inmate identifying himself as Roberto Chaniques, speaking through an interpreter, blamed the rioting on the U.S.-Cuban decision to return detainees to their homeland, said Pat Jones, a weekly newspaper editor who talked with inmates.

The inmates promised to free the hostages only after someone from Washington came to discuss the decision to send the Cubans back.

"We don't want to bring harm to the hostages," she quoted Chaniques as saying.

Of the 2,500 refugees who were to be returned to Cuba, 1,000 are at the Oakdale facility and about 1,400 are at a U.S. federal penitentiary in Georgia. The remainder are scattered in more than 60 jails across the U.S.

Kessar up in arms at Nissim budget plans

By JEFF BLACK
and AVI TEMKIN
Jerusalem Post Reporters

TEL AVIV. – Histadrut Secretary-General Yisrael Kessar means to come out fighting today against Finance Minister Moshe Nissim's proposed budget for next year.

Kessar is especially opposed to user-charges in the health services, cuts in subsidies, and the implementation of the forthcoming Sheshinsky Committee recommendations on tax reform, which will affect training funds, pensions, child allowances and other benefits.

The Treasury still hopes that, by winning the Histadrut's support for the proposals, or at least its tacit agreement, it will have an easier job imposing wage and fiscal restraint in the coming election year.

Kessar and Nissim are due to meet later today. The labour leader told the Histadrut executive committee yesterday that "it's clear to me that many of the things the finance minister is proposing are unacceptable to us."

Kessar stressed that this opposition was not just limited to fighting against reductions in government subsidies, the introduction of payment for visits to doctors, and an education levy. He said the Histadrut would oppose the Sheshinsky Committee's tax reform proposals if they included scrapping the exemptions currently granted to the handicapped, pensioners, development towns, child allowances, etc.

Last January, Nissim was forced to drop his proposals for far-reaching tax reform when he realized that he was unable to overcome the Histadrut's opposition to scrapping tax exemptions. One of the main targets are the training funds (*kranot hishtalmut*), which are managed by Histadrut-linked pension funds.

Bank of Israel and Treasury officials have also recently said that the cost-of-living allowance arrangement must be changed in accordance with the lower inflation rate. That would reduce the level of compensation automatically paid for price rises.

Kessar did not mention this yesterday at the executive committee meeting. He also refused to be drawn into a discussion on the budget, saying that the Histadrut had to wait until it had received all the

(Continued on Page Seven)

Judge rules Jerusalem ban on Sabbath films is out of bounds

By ANDY COURT /For The Jerusalem Post

A Jerusalem Municipal Court judge yesterday delighted secular activists by striking down a city by-law forbidding the screening of movies on Shabbat.

Judge Ayala Procaccia ruled that issues concerning the freedom of religion and conscience are the province of the Knesset, not the city council. She threw out the charges that the municipality had brought against the operators of the Beit Agron and Orna cinemas for screening movies on Friday night.

Banning Shabbat movies is not only beyond the city's authority, but also "unreasonable," because it represents "an unnecessary intervention in citizens' rights and does substantial harm to the basic rights of the secular population," Procaccia said.

Her hand-written, 38-page decision refers to Israeli, English and American legal opinions. Among them is a quotation from Justice Yoel Sussman, who wrote in 1966: "A citizen has no religious freedom if he is not free to belong to no religion."

Such freedom must extend not only to thought, but also to action, Procaccia said. But it has its limits: the city would be within its rights to prevent the opening of a cinema in the heart of a religious neighbourhood, she wrote.

Yesterday's decision has "national implications," according to Shabtai Ziv, the Jerusalem Municipality's legal adviser.

Cinema owners in other parts of the country wishing to open on Shabbat may cite the case. The decision may prompt Knesset members representing religious parties to work that much harder for a new law concerning public activities on Shabbat, Ziv said.

The municipality will probably appeal the decision.

Sali Mizrahi, owner of the Orion cinema, had considered opening on Shabbat a few months ago, but backed off under pressure from City Hall. Yesterday, Mizrahi said that he was reading the judge's ruling and considering opening on Shabbat.

Councillor Meir Porush (Agudat Yisrael), who was recovering yesterday from injuries suffered when he was arrested during a demonstration outside the Orna cinema on Friday night, did not share Mizrahi's enthusiasm.

"Procaccia's decision is not, as I see it, the last word on the subject," Porush said.

In telegrams to Mayor Teddy Kollek, the Citizens Rights Movement and Mapam called on him not to appeal against Procaccia's decision.

Municipal spokesman Rafi Davara said that secular voters will remember that it was Kollek who initiated and still supports the Cinematheque's Friday night movie series. But Kollek is also seeking to preserve the capital's special character by keeping "commercial cinemas," such as Beit Agron and the Orna, closed on Shabbat, he said.



Soviet Foreign Minister Eduard Shevardnadze waves to spectators on arriving last night in Geneva. (Reuter)

Superpowers said to agree on inspectors

SHANNON, Ireland (AP). – U.S. Secretary of State George Shultz said yesterday that the U.S. and the Soviet Union had agreed to station inspectors at each other's missile sites for 10 years after banned weapons are scrapped.

Shultz, en route to Geneva for a meeting with Soviet Foreign Minister Eduard Shevardnadze, said only "some operational details" remained to be worked out on the treaty to ban U.S. and Soviet intermediate-range nuclear missiles.

"The treaty is virtually complete," Shultz said. "All of the main things have been agreed to." The treaty is the designated centrepiece for the December summit between President Reagan and General Secretary Gorbachev.

Faced with that deadline, Shultz scheduled meetings today and tomorrow in Geneva with Shevardnadze.

Talking to reporters aboard his U.S. Air Force jet before a refuelling stop in Ireland, Shultz said he also planned to seek Soviet support for an arms embargo against Iran and a timetable for withdrawal of Soviet troops from Afghanistan.

The U.S. has delayed trying to push a weapons cutoff through the UN Security Council because of concern that the Soviets might block the move with a veto.

The council approved a cease-fire in the Iran-Iraq war July 20 with Soviet support. "It is time to move forward," Shultz said.

Shultz and Shevardnadze face much hard work in Geneva, but a nuclear arms treaty will be ready for next month's summit, the Communist Party newspaper Pravda said yesterday.

Pravda commentator Tomas Kolesnichenko accused the U.S. of trying to complicate negotiations during talks last week in Geneva, but said a compromise was reached.

"A Soviet-American agreement on medium-range missiles and operational-tactical missiles will be ready for the meeting in Washington," Kolesnichenko said.

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Navon irate over education cuts

By BERNARD JOSEPHS

A bitter struggle was in prospect last night between the Treasury and the Education Ministry over plans to slash NIS 140 million from the education budget.

Education Minister Yitzhak Navon has already indicated strongly that he will quit if the cuts go ahead; his officials are drawing up plans to fight what they see as the Treasury's unbridled attack on the school system.

Finance Minister Moshe Nissim has proposed the cuts as part of his campaign to reduce public spending.

However, addressing his senior staff, Navon said: "Not only won't I agree to carry out such a budget reduction, but I also demand that we be given extra money to repair the damage done to the education system by successive cuts over the past few years."

Navon said that the Treasury's repeated blows at education in its efforts to cut government spending had very serious implications both for schools and cultural bodies supported by the Education Ministry. This process, he added, had to be stopped before the damage became irreparable.

In an obvious effort to boost the ministry's war of words against the Treasury, an Education Ministry statement quoted Yitzhak Welber, head of the Histadrut Teachers' Union, as saying that the entire education system would "be closed down" if the Treasury wielded its axe. The statement also said that the National Parents' Association and the mayors of development towns backed Navon.

Education Ministry officials recalled that Navon had told the cabinet in September that he would not be able to take responsibility for the nation's schools if his budget were axed.

Lack of money was having a serious effect, with elementary school pupils spending 9.2 per cent less time in the classroom than in 1979 and with junior high school pupils having seen their school hours cut by 20 per cent in the same period, they said.

In addition, the cash crisis was undermining the integration programme, and in many schools subjects such as music, physical education and agriculture were no longer taught – or were taught only because parents paid for them out of their own pockets.

IDF will excuse most men over 50 from reserve duty

By JOSHUA BRILLIANT
Post Defence Reporter

TEL AVIV. – Most men over the age of 50 will not be called for reserve duty next year, and the IDF may discharge them altogether, a senior military source said in an interview yesterday.

The new policy will go into effect during the IDF's next work-year, which begins on April 1. There will be some exceptions – doctors, for example – but "you're not going to find a 52-year-old reservist at the Jordan River bridges as you did a year ago," the source said. Currently, reservists serve until they are 55.

The cuts began several years ago when the IDF reduced the number of "reserve days" – a figure arrived at by multiplying the number of reservists called up by the length of their service. "Millions of such days have been saved," the source reported. The army was then left with a bigger budget because National Insurance Institute funds, earmarked for paying reservists' salaries, remain with the IDF if they are not called up.

20,000 defective vehicles found driving on roads

TEL AVIV (Itim). – One-fifth of the vehicles tested in garages under the "Prepare your vehicle for winter" programme were found to be defective. This was disclosed yesterday by Zvi Pick, general secretary of the Garage Owners' Association.

Pick said that the brakes, lights, steering and tyres of some 100,000 vehicles were tested. Approximately 20,000 had defects that would have caused accidents if they had not been repaired.

Dome of the Rock will be re-covered

Jerusalem Post Staff

The Dome of the Rock is to be re-covered in gold-plated copper, according to Jordan's Petra News Agency.

According to Petra, an Italian firm won the contract for the job. Sheikh Mohammed M'beilan, the Jordanian chief Islamic justice, signed the contract for the repairs. M'beilan heads an official committee that subsidizes the upkeep of the Islamic sites on the Temple Mount.

Safe landing despite pilot's heart attack

NEW YORK (Reuter). – The pilot of a DC-10 suffered an apparent heart attack while landing at Newark International airport on Saturday night and his co-pilot grabbed the controls as the plane raced down the runway, American Airlines said.

The co-pilot hit the brakes hard, pulled the plane back onto the centre line of the runway and completed the landing safely, the airline spokesman said yesterday.

The pilot died in hospital.

Courts' clash put off as Nakash agrees to divorce

William Nakash, whose extradition was demanded by France to stand trial for the murder of an Arab gangland figure, has informed the Jerusalem Rabbinical Court through his lawyers that he will give his wife Rina a divorce on Thursday, thus removing the ostensible reason for the rabbinical court's injunction against Nakash's extradition.

The injunction, due to lapse on December 1, is the subject of a High Court appeal brought by Attorney-General Yosef Harish. The High Court issued a show cause order against the religious court, after it held up Nakash's extradition, on the ground that his wife would be unable to remarry, if he went to prison in France.

Several hours of legal wrangling yesterday before a five-member session of the High Court of Justice ended with Court President Meir Shamgar deciding to await a move by the rabbinical court.

Arguments were presented yesterday by State Attorney Nili Arad, and Nakash lawyers Simha Meiron, representing Rina and Roland Roth, representing William Nakash.

The first issue yesterday was whether they should hear arguments before the December 1 deadline. Meiron, whose legal maneuvering won his client Rina Nakash the rabbinical court injunction against the extradition, argued that the rabbinical court had full authority to issue an injunction superceding a previous High Court decision in favour of immediate extradition. He then said that he would anyway not be seeking an extension of the injunction because William had promised that he'd hand over the divorce to Rina on Thursday.

Justice Dov Levin: "And suppose the divorce is not completed on Thursday, and the rabbinical court extends the injunction? What happens then? It must be stated that the man will be extradited whether or not he completes the divorce."

State Attorney Arad bitterly noted that "our experience in this case has proven that anything can happen, and as far as we can tell, the rabbinical court's decision (about the December 1 deadline) is not the final episode in this affair."

The justices decided to hear the arguments, but to postpone any decision until after December 1, when the rabbinical court injunction is due to expire.

The justices – Shamgar, Levin, Miriam Porat, Menachem Eilon, and Gavriel Bach – then heard Roth, representing Nakash.

Roth maintained that Harish's appeal to the High Court was "in bad faith," because the attorney-general "knows that there is an agreement with the French authorities that would allow Nakash to be tried there and serve his prison term here."

Justice Ministry Director-General Haim Klugman declared on Friday that there was no such agreement.

Yesterday the justices conferred

(Continued on Back Page)



William and Rina Nakash in a quick kiss yesterday, when he reportedly agreed to divorce her (Media)



President Herzog and friend yesterday at the Ramat Gan Safari Park, where the president presented two young brown bears, gifts to him from the Zurich Jewish community. (Kfir Meir)

London pickpockets pick on Israelis

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. – Hundreds of Israelis have had their passports and thousands of dollars in cash and traveller's cheques stolen by "elegant" British pickpockets in the last few months, according to Mordechai Karny, consul at the Israeli embassy here.

Karny told *The Jerusalem Post* that more than 200 Israeli passports had been stolen in London in the last three months alone, but most of the documents were eventually returned to the embassy via police. The thieves are after easy money, not passports, he said.

Karny denied that the theft of so many passports represented a security risk, explaining that "Israeli passports are impossible to tamper with. If one tries to substitute a new photograph, for example, one has to remove the plastic coating, and this cannot be done without ruining the passport."

The consul warned Israelis to be more careful with their belongings when visiting the UK, and not to carry large amounts of cash and traveller's cheques around with them.

"Hardly a day goes by without a report of one theft or another. Often, people's holidays are ruined, because they are carrying all their money around with them in cash," said Karny, noting that sums of up to $2,500 had been stolen, and that many Israeli tourists neglect to make a separate note of their traveller's cheque numbers.

It was ironic, he added, that more Israelis are becoming victims of crime here at the same time as the number of Israelis breaking the law has decreased markedly. "You can count the number of Israelis found shoplifting here this year on the fingers of one hand."

MacDonald's hamburger restaurants are a favourite haunt of the London thieves, the official disclosed. "They casually stroll past tables, picking up the handbags people have left lying around while they eat. Crowded buses and department stores also provide a good environment for pickpockets."

Karny said that he "never realized how many thieves there are here" until this year. "One hears about the thefts and violence in New York, and one expects it," he said. "But in London there is no violence. The thieves are more elegant and professional here."

Riots over ailing Romanian economy

BONN– Romanian Communist leader Nicolae Ceausescu has blasted shortcomings and delays in the economy following the killing of two militiamen in workers riots last weekend in Brasov which have just come to light. Demonstrators are said to have reacted angrily to the latest food and energy shortages which threatens to inflict further hardships on Romania, it was reported yesterday.

Twenty thousand angry rioters stormed into the town hall last Saturday night, throwing documents out of the windows and tearing down red flags and portraits of President Nicolae Ceausescu to shouts of "Down with the party," "We want freedom," and "Death to Ceausescu," the West German paper *Bild am Sonntag* and *Corriere Della Sera* in Milan reported yesterday.

One of the militiamen guarding the town hall had his throat cut while another was beaten to death inside the building by the demonstrators, the German paper said, quoting eyewitnesses.

Bild said the demonstrators, angered by food shortages, energy restrictions and planned wage cuts, set fire to several cars and smashed shop windows. The report said police did not intervene during the night but thousands of police and troop reinforcements were brought in the next day to restore order. The official Romanian news agency Agerpres had reported on Saturday that Ceausescu blamed some ministries and economic units for failing to eliminate energy shortages and fulfill economic plans.

Addressing a politburo meeting, Ceausescu demanded that the economy be improved.

A Communist party conference, earlier scheduled to take place in Bucharest on December 7-9, was unexpectedly postponed by a week to give organizers "the possibility to better prepare" it, Agerpres conceded.

The decision was believed to have been prompted by the public disturbances in Brasov, one of Romania's leading industrial centres and the country's second largest city with a population of 340,000.

A Western diplomat, speaking on condition he not be identified, said an embassy officer who visited Brasov at the end of last week reported that life in the city looked normal.

(Continued on Page Three)

The weather at major Swissair destinations

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	MIN. C	MIN. F	MAX C	MAX F	
AMSTERDAM	6	43	8	46	Cloudy
BRUSSELS	5	41	9	48	Cloudy
BUENOS AIRES	15	59	22	71	Clear
CHICAGO	-9	28	-2	36	Cloudy
COPENHAGEN	5	41	6	43	Rain
FRANKFURT	5	41	8	46	Rain
GENEVA	3	37	8	46	Rain
HELSINKI	-3	27	0	32	Snow
HONG KONG	22	72	23	73	Cloudy
JOHANNESBURG	12	54	26	79	Clear
LISBON	11	52	19	66	Clear
LONDON	8	46	10	50	Rain
MADRID	4	39	17	63	Cloudy
MONTREAL	-14	7	-9	16	Cloudy
NEW YORK	-7	19	-4	25	Clear
OSLO	0	32	0	32	Cloudy
PARIS	7	45	10	50	Cloudy
RIO DE JANEIRO	20	68	34	93	Cloudy
SAO PAULO	18	64	30	86	Cloudy
STOCKHOLM	2	36	5	41	Cloudy
TOKYO	7	45	17	63	Clear
TORONTO	-13	9	-7	19	Cloudy
VIENNA	4	28	8	46	Cloudy
ZURICH	4	39	8	46	Cloudy

*For the latest weather conditions contact Swissair.

Tel Aviv, 1 Ben Yehuda St. Tel. 03-5102620.
Jerusalem, 30 Jaffa St., 02-224373.
Haifa, 2 Sea Road, 04-384555.
Beer Sheva, 33 Hatavat St., 057-35662.
Cargo, Ben-Gurion Airport, 03-9712151.

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THE WEATHER

Forecast: Clear.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	54	11-19	20
Golan	35	19-20	22
Nahariya	53	12-22	23
Safad	42	10-17	18
Haifa Port	56	11-24	25
Tiberias	46	12-22	23
Nazareth	39	12-22	23
Afula	31	7-26	26
Shomron	39	9-21	22
Tel Aviv	47	13-23	23
B-G Airport	45	11-23	24
Jericho	40	12-25	27
Gaza	61	13-22	23
Beersheba	38	9-24	25
Eilat	36	15-26	28

SOCIAL & PERSONAL

Hadassah-Israel Mediscope, "Family and Health," will be held at 1:30 p.m. on Wednesday at Hadassah Hospital on Mt. Scopus, Jerusalem.

Soldier hurt

An IDF soldier was cut in the hand last night when a petrol bomb was hurled at a military bus near Rachel's Tomb in Bethlehem. The bottle smashed, but did not explode.

Gaza schools closed

Jerusalem Post Reporter

GAZA. – Two Gaza schools were ordered closed for two weeks yesterday in the wake of recent violent demonstrations there.

Defence Minister Yitzhak Rabin authorized the closure of the Al-Izhar high school and the Unrwa Vocational Training College, was closed by the UN.

Cabinet hopes Wertheimer to change mind

Jerusalem Post Reporter

Cabinet ministers are still hoping industrialist Stef Wertheimer will agree to take over the ailing Beit Shemesh Engines concern from the government, despite his announcement last Friday that he was giving up such plans.

Wertheimer bitterly complained that he had been waiting for over a year for the government to complete the deal on BSE, and he could wait no longer. He accused the Treasury of foot-dragging. But a ministry spokesman denied the charges. He said the formal cabinet decision to transfer ownership of BSE to Wertheimer had been taken three months ago. "I would not call that a long period of time," he said.

The issue of BSE was raised at yesterday's cabinet meeting by Economics Minister Gad Ya'acobi, who asked Finance Minister Moshe Nissim why the transaction had not been concluded, and whether it would be possible to sign an agreement within one week.

Nissim said that he had instructed Treasury officials to conclude the BSE deal within the next few days. He explained that the team headed by Giora Gazit was empowered to negotiate with Wertheimer on BSE. (See Wertheimer interview, page 4)

LATE SPORT

Graf wins $1 million Virginia Slims final

NEW YORK (Reuter). -- Top-seeded Steffi Graf of West Germany asserted herself as the world's No. 1 woman tennis player when she beat her friend and doubles partner, sixth-seeded Gabriella Sabatini in the best-of-five set final of the $1 million Virginia Slims championships at Madison Square Garden here. Graf won in four sets, 4-6, 6-4, 6-0, 6-4.

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Aftermath of Shamir's U.S. visit

Rabin assumes aid won't be cut despite budget deficit in U.S.

By ASHER WALLFISH
Post Knesset Correspondent

Defence Minister Yitzhak Rabin said yesterday that he assumed American financial aid to Israel would not be cut in the current year despite concern on Capitol Hill about the state of the U.S. budget deficit.

Replying at the weekly cabinet session to a question from Industry and Trade Minister Ariel Sharon, Rabin said that Israel Aircraft Industries were being given priority for sophisticated weapons development projects intended to replace the work lost by the cancellation of the Lavi.

Rabin said that the cost of terminating contracts in the U.S. related to the Lavi was proving to be less than earlier believed.

At the cabinet session, Acting Prime Minister David Levy surveyed the talks held in Washington on Friday between Prime Minister Shamir and administration leaders. He said that Shamir emphasized Israel's "firm hope" that U.S. aid to Israel would not be slashed.

Levy said Shamir was "extremely satisfied" with the replies he received on all the issues he raised, which included the plight of Soviet Jewry, the implementation of the bilateral agreements on strategic cooperation and the free trade pact, and the significance of the Arab summit in Amman this month.

The ministers heard a classified briefing by Rabin on the security situation, and on developments affecting Soviet Jewry and Jewish communities in the "lands of distress" from which Jewish emigration is officially prohibited.

Levy also reported to his colleagues on the state visits of President Herzog to Denmark and the U.S.

Walter Ruby adds from New York:

Shamir yesterday expressed qualified willingness to consider the possibility of going to Washington to meet with King Hussein and President Assad during the Reagan-Gorbachev summit next month.

Interviewed on the CBS-TV programme *Face The Nation,* Shamir was asked whether there was any truth to reports that he favours convening a "super summit" in Washington, which would combine U.S.-Soviet discussions with Israeli-Arab negotiations.

Shamir dismissed the talk of such a summit as "rumours," but added, "I am open to listen to any idea."

Shamir nevertheless reiterated his opposition to Soviet participation in Middle East peace talks. "I don't feel the need to negotiate with the Soviet Union. We have to make peace with the Arab countries, not the Soviet Union."

Shamir said he does not expect Hussein to accept his call for direct bilateral talks as long as an international peace conference as proposed by Foreign Minister Peres remains a possibility.

The prime minister, who flew from Washington to New York after his television appearance, delivered a speech to students and Jewish community activists at Queens College late yesterday in which he again appealed directly to Hussein to meet him in direct talks. Shamir also said he believed that Israel's demographic problem would be solved by aliya.

Shamir capped the day at a ceremony at the Waldorf Astoria Hotel, where he received the Theodor Herzl gold medallion from Milton Shapiro, president of the Zionist Organization of America.

The ZOA last presented the medallion, its highest honour, to Menachem Begin in 1980, and its decision to make the award to Shamir is seen as an effort to show that despite expressions of support for Peres and his campaign for an international peace conference by such groups as the American Jewish Congress and the Union of American Hebrew Congregations, at least one major American Jewish group backs Shamir's position.

'Ball now in the journalists' court,' says state attorney

By ASHER WALLFISH and JEFF BLACK
Jerusalem Post Reporters

The Israel Broadcasting Authority shut-down may soon end if the journalists agree to take their case to the Institute of Agreed Arbitration. Sources in the State Attorney's Office said the ball is now in the journalists' court, but strike committee spokesman Zvi Goren said late last night that the government had not officially informed the journalists that it would accept agreed arbitration.

The journalists have also prepared their petition to the labour court demanding compulsory arbitration, but Goren said they were waiting to hear from the State Attorney's Office today before filing it.

The advantage for the Treasury of agreed arbitration as opposed to compulsory arbitration is that a ruling in the former cannot be used as a precedent in future labour disputes.

However, as the National Journalists' Association was not a party to the establishment of the institute by the government and the Histadrut, the association has to apply to join. Sources in the State Attorney's Office said that from their point of view, an application would not pose any problems. Histadrut Secretary-General Yisrael Kessar said earlier yesterday that the labour federation was ready to help end the dispute. The cabinet yesterday approved taking the dispute to arbitration if a three-minister panel set up by the cabinet finds that the strikers agree to accept a settlement which would not violate the "framework agreement" on wages, which governs all employees in public service.

Acting Prime Minister David Levy, Finance Minister Moshe Nissim and Education Minister Yitzhak Navon were empowered to assess replies to a questionnaire which the Journalists' Association received last week from the State Attorney's Office.

The journalists got two gestures of solidarity yesterday. Educational Television closed down early after the workers there held a general meeting in support of their colleagues. Last night, works committees from around the country attended a rally at the National Journalists' Association headquarters at Beit Sokolow in Tel Aviv.

Yard confirms deporting Israeli

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. – Scotland Yard yesterday confirmed that a 22-year-old Israeli, suspected of the murder of Palestinian cartoonist Ali Al-Adhami, was arrested here in September and was held in police custody for eight days before being deported to Israel.

The police spokesman would neither confirm nor deny reports that the deported man was Bashar Samara, a Mossad agent who had infiltrated the PLO's network and had become a prime source of information on terror activities in the UK and Europe.

"The man in question was arrested in Dover on September 11 under the Prevention of Terrorism Act," said the spokesman. "He was held for eight days at Paddington Green police station and questioned about the cartoonist's murder.

"But there was no evidence to charge him, so he was deported to Israel by the Home Office, under Section 13 of the Immigration Act, because his presence was not conducive to the public good."

According to detailed reports in the British press at the weekend, Samara was arrested after his name was found on a list at the home of known PLO sympathizers by Anti-Terrorist Squad officers investigating the summer shooting of the cartoonist.

Initially, Samara reportedly admitted to being a PLO member, and he even told police the identity and whereabouts of the killer. But the police later reportedly discovered that Samara was a Mossad man who had spent years infiltrating the PLO, and who was desperately trying to protect his cover.

Rather than release Samara to almost certain death at the hands of the PLO cell he had infiltrated, it was decided to deport him to Israel, according to the reports.

To avoid compromising the British government, it was reportedly decided to keep the Home Office in the dark about Samara's true identity.

According to the press reports, Samara had a 24-year-old girlfriend here, and he was arrested when returning with her from a holiday in Israel during which he had introduced her to his parents.



The Soweto choir, from the black township outside Johannesburg, sings its first song in Israel at Ben-Gurion Airport yesterday. (GPO)

Arbeli returns to 'tackle' nurses' and doctors' crises

By JUDY SIEGEL
Post Science and Health Reporter

Health Minister Shoshana Arbeli-Almoslino returns today from a nine-day study tour in the U.S. and will "tackle the hospital nurses' and Kupat Holim doctors' crises as soon as she arrives," the ministry spokesman said yesterday.

The ministry supports in principle the demands of the nurses for "decent overtime" pay, he said, but added: "Unfortunately, we don't control the purse strings; the Treasury does."

The country's 10,000 hospital nurses yesterday unilaterally implemented a contract signed by their employers a year ago that reduces their work week from 40 to 36 hours.

The nurses said that their refusal to work overtime "until we get decent overtime for our labour," would force a cut in the patient load by 25 per cent. But the Health Ministry spokesman said that it would be only 10 per cent. The reduction in the number of nurses at work yesterday did not have very much effect, said the ministry spokesman, but it is expected to be felt increasingly as the days pass. The ministry has instructed hospitals to send no patients home, but to manage with existing staff.

The government is willing to pay nurses overtime at the rate of 150 per cent of their regular salary, but the nurses are reportedly asking for over 200 per cent.

The Kupat Holim doctors' dispute yesterday entered its seventh week, with all operating theatres at the health fund's seven general hospitals closed, except for emergency surgery. All outpatient clinics were functioning yesterday.

The same schedule is planned for today. But tomorrow, all of the Kupat Holim hospitals, including geriatric and psychiatric institutions, are to be on a reduced Shabbat schedule. All outpatient clinics will close down.

On Wednesday and Thursday, today's schedule of sanctions will be reversed. Outpatient clinics will close while operating theatres will function.

The doctors want the health fund management to set up a second shift in outpatient clinics and operating theatres.

Bulldozers begin work on capital's new stadium

By ANDY COURT
For The Jerusalem Post

Two bulldozers began preparing the playing field for Jerusalem's new soccer stadium yesterday, while Mayor Teddy Kollek appealed to the High Court of Justice to approve the plan for the stadium itself.

Kollek asked the High Court to either order Prime Minister Shamir, as acting interior minister, to sign the plan, or rule that building can begin without Shamir's signature.

The mayor claims that Shamir has unjustifiably delayed the signing of the plan because of political considerations.

Kollek's appeal points out that the plan has already been approved by local, district and national planning bodies and that the Interior Ministry's director-general has even indicated that his office's technical and legal review of the plan has been concluded.

The bulldozers began work in Jerusalem's Manahat neighbourhood with the permission of the city's building and planning committee. Their work, however, is limited to the field itself, since the building of the stands will require either Shamir's signature or a High Court ruling.

An appeal similar to Kollek's was filed by MK Dedi Zucker (Citizens Rights Movement) a few months ago, but has yet to be ruled upon. The Hapoel and Betar teams and the Jerusalem Municipality are expected to file their own High Court suit against Shamir later this week.

Soggy packages at main post office

By ANDY COURT

Some very soggy packages await customers of Jerusalem's main post office on Jaffa Road, after workmen failed to shut off the water of a firefighting outlet that they were using on Wednesday evening. The water kept flowing until it was discovered Thursday morning, according to a Postal Authority spokesman.

The water leaked from upstairs offices into the room where oversized packages are kept for people that the main post office serves. One woman's new encyclopedia reportedly looked as if it had been baptized. Various magazines and newspapers are still extremely moist. The Postal Authority has apologized for the inconvenience.

Arab councils begin week-long protest strike

By DAVID RUDGE
Jerusalem Post Reporter

SHFARAM. -- Arab councils throughout the country began a week-long strike yesterday in protest against the government's alleged failure to help them pay their debts.

Municipal services in the 48 towns and villages within the Green Line were shut down, including garbage collection.

The council heads threaten to close schools and keep nearly 200,000 schoolchildren at home for three days, starting Wednesday.

On the same day, a car and truck convoy is to come up to Jerusalem, where a demonstration is to be held outside the Interior Ministry.

The demonstration was to have been staged last Monday, but was cancelled at the last minute following pledges of additional funds. The assurances were reportedly given by Interior Ministry officials, the Treasury and Amos Gilboa, adviser to deputy minister Ronni Milo, who holds the Arab affairs portfolio.

They are said to have promised that the government would partially consolidate the debts of 24 of the worst-hit local councils, in addition to increasing regular and development budgets.

The total deficit of all the councils is about NIS150 million.

But no money has been forthcoming. Council heads have accused the government of trying to humiliate them with empty promises.

"We are fed up with all the deceit and the government's attitude towards us," said Shfaram Mayor Ibrihim Nimr Hussein, who is also chairman of the national committee of Arab local councils.

He said the council leaders had the full backing of the residents of their respective towns and villages.

"They support us wholeheartedly, even though they are the ones to suffer directly as a result of the strike," he asserted.

"They are angry because they see the high level of services in Jewish towns and settlements and they feel they deserve the same. Our councils receive only a quarter of the budgets allocated to Jewish local authorities of equivalent size, but now we have no money at all."

Chief Rabbinate condemns posters on Shilo's death

By HAIM SHAPIRO
Jerusalem Post Reporter

The Chief Rabbinate yesterday condemned the public notices that appeared in Jerusalem's Mea She'arim neighbourhood last week expressing joy at the death of archeologist Yigal Shilo.

Shilo had been involved in a bitter struggle with members of the ultra-Orthodox community because his excavations in the City of David, they said, disturbed a medieval Jewish cemetery.

In large newspaper advertisements yesterday, the Hebrew University, the Israel Exploration Society, the City of David Society and Jerusalem Mayor Teddy Kollek said they were "appalled by the crass and shameful announcements...circulated by a handful of radical members of the Haredi community."

Jerusalem municipal spokesman Rafi Davara said that despite great pressure from the municipality, it was only with difficulty that religious leaders had been persuaded to condemn the notices. The silence of religious leaders gave the general public the impression that all religious Jews approved of such behaviour.

Generally, the Chief Rabbinate has hesitated to condemn action within the ultra-Orthodox community. Rabbinate.

Yesterday, however, the director of the Chief Rabbinate, Rabbi Eitan Eisman, said that the chief rabbis "strongly objected" to the notices.

"This is not our way and we deeply deplore this form of action," he said.

This condemnation follows that of Rabbi Eliezer Schach, the mentor of the ultra-Orthodox Shas Party. In the weekend edition of the party daily, *Yated Ne'eman*, Schach said that the notices "degraded all factions of Haredi Jewry," and "corrupt the soul and coarsen it."

In a less strongly worded statement, the Agudat Yisrael daily, *Hamodia*, said that such notices "give ammunition to the enemies of Haredi Jewry."

Man called Rothschild suspected of fraud in bizarre case of phoney bonds

By JONATHAN KARP

TEL AVIV. – What would you say if a man named Rothschild walked into your office and offered you a commission in exchange for a respectable front so that he could sell millions of dollars of phoney bonds to middlemen with access to Saudi Arabia's royal family?

Based on a recent local experience, if you're an investment company manager, you say "yes," but if you're an executive with the bank that owns the investment company, you throw the man out.

The police's national fraud unit is presently investigating such a case.

The suspect is a true internationalist, who holds Irish and French passports, under different names, and claims such varied titles as: Count, Zaire consul in London, and "Congressional Advisor on International Affairs of State to the President of the United States."

In addition, he says that he served for three years as Irish consul in Kuwait and turned down an offer to be Ireland's ambassador to Israel. Ireland has never had a resident ambassador here.

Understandably, the police are having a hard time figuring out David Ellis Sion Rothschild, 40, who is currently in custody until the end of the week. Meanwhile, the police have turned to Interpol.

What is known is that he is Jewish, has lived in a Tel Aviv hotel for nearly a year, understands – though barely speaks – Hebrew, and is fluent in the jargon of international financing.

The episode began months ago when a man calling himself "Ellis Sion" appeared in a Tel Aviv bank branch with samples of $10,000 bonds in the name of a U.S.-based company called Executive Suites (Holdings) Ltd.

He made his pitch but could not convince the managers to go along.

Undaunted, the man approached an investment company owned by the same bank, showed off bond samples written out for $50,000, and made his offer: a 0.1 per cent commission for providing the front.

Tempted by the opportunity to profit from large sales to petro-dollar rich Saudi investors, the investment company agreed. The plan involved phoney corporate bonds which were to yield interest of 6.5 per cent, redeemable at the end of 2007. The bonds were said to be guaranteed by Mitsubishi Bank, of Japan, and were payable at Morgan Guarranty Trust of New York or London.

Rothschild initially spoke about selling $20 million worth of the bonds, then upped the ante to $100m. The bonds would have been sold to a number of European middlemen who had close connections with Saudi royalty all the way up to King Fahd. As the scam progressed, he spoke of sales of $1 billion.

Despite assurances that the money would be transferred from the various banks in which it had been deposited, Rothschild never produced any for his local associates.

His operation started to come apart in August when he opened an account under a different name in a Ramat Gan bank branch of the same bank.

He displayed a new variation of bonds, this time worth $500,000 apiece, which he offered as collateral for loans. He also claimed to represent Jewish investors who were interested in investing millions of dollars in Israel.

The new bonds were to mature one year later than the previous notes and added two banks, one of which, the Ramat Gan bank quickly discovered, does not exist. And with a little more investigation, it learned that Executive Suites (Holdings) Ltd. did not exist either.

At about the same time, the fraud squad received intelligence information about the racket and started investigating.

Late last week, police raided Rothschild's hotel room in Tel Aviv, finding hundreds of counterfeit bonds, which turned out to have been printed in a Ramat Gan print shop.

The detectives also found documents and correspondence with a wide-range of international personalities, which he apparently used to establish his credentials.

In Tel Aviv Magistrates Court on Friday, Rothschild argued that the court could not try him because he had diplomatic immunity.

Judge Ari Ziv-Av responded that the immunity existed only in the countries to which he was accredited, and then remanded him for eight days on suspicion of fraud.

Tomorrow – Civil Defence Exercise at Educational Institutions

Tomorrow, Tuesday, November 24, will be Civil Defence (Haga) Day at educational institutions throughout the country, in the course of which sounds of combat and firing will be heard.

A one minute all clear siren will be sounded throughout the country at 10 in the morning. In case of an actual alert, sirens will be sounded on an ascending/descending scale.

ns112-30-f14

On the thirtieth day after the passing of

TZILA LURIE

we shall unveil the tombstone
at 3:30 p.m. today,
Monday, November 23, 1987
at the Har Hamenuhot Cemetery, Jerusalem.

The Family

At the close of the year since the passing of our beloved husband, father and grandfather

Dr. EDWARD HOROWITZ ז"ל

there will be a memorial evening on Sunday, November 29, at 7:45 p.m. at Hazvi Yisrael Synagogue, 14 Hovevei Zion St., Jerusalem.
The noted and popular Hebrew linguist and commentator
AVSHALOM KOR
will lecture (in Hebrew) on the subject
Our Ancestors Spoke Sabra Hebrew
The public is invited.

The Mayor of Jerusalem
Jerusalem Foundation, Israel Museum
mourn the loss of a dear friend
RENÉ LANG
and express deepest condolences to
NANNY LANG, HENNY GESTETNER, AND THE ENTIRE FAMILY.

Spectre of starvation rises over Ethiopia again

NAIROBI (AFP).– In a pattern that is becoming depressingly familiar, international aid agencies have issued warnings of an imminent major famine in Northern Ethiopia, with estimates of some five to six million people facing starvation.

Unlike the previous emergencies in 1974, aid officials say, nobody will be able to say they were not warned. The early warning systems set up after the 1984-85 disaster have worked, and the aid agencies have worked out the amounts of aid required.

Last week Michael Priestley, in charge of the UN emergency relief programme in Ethiopia, warned that in the south and east of Tigre Province, "we are clearly only a few weeks away from a disastrous famine."

In Tigre and neighbouring Eritrea the situation has been further complicated by attacks by anti-government guerrillas on food convoys. The rebels say the convoys have been carrying government arms as well as aid.

The UN, whose aid convoys are never escorted by government troops, has strongly denied the allegations.

The government's Relief and Rehabilitation Commission, headed by Berhanu Jambere, estimates the numbers threatened in the latest crisis at 5.2 million. The UN puts the figure at six million. About half of this figure are people who live in the provinces of Eritrea, Tigre and Wollo, with many others in the east of Hararghe Province.

Last week the Addis Ababa government looked at its previous estimates of of food aid and upped the requirements for next year from 950,000 tons to 1.05 million. The government said that recent rains were the lowest for a decade. Of the required extra aid, only 358,000 tons have so far been pledged by donor countries and agencies, according to the UN World Food Project.

Aid officials are anxious to secure new pledges very quickly. Bitter experience has taught them that the delay between the time aid is promised and the time it actually gets to the hungry can be very long. The aid organizations are also anxious to avoid the concentration of distribution centres in a few points, which led to hundreds of thousands of starving people taking to the roads in 1984 and 1985.

To try and beat the growing problem of roads being closed by guerrilla attacks, the International Committee of the Red Cross on November 12 launched a campaign to open essential survival routes" to the famine zones through agreements with the different parties involved in the fighting. An initial result of this campaign was the arrival of a food convoy in Makalle, capital of Tigre Province, last Wednesday.

The world food programme has also launched an appeal for airlift of food to the four worst affected areas of Tigre, which are extremely inaccessible.

The European Economic Community has already pledged $11 million to help this project, and between eight and 10 cargo planes are shortly due to start regular flights between the Red Sea ports of Asab and Massawa and the stricken regions of Eritrea, Tigre and Wollo.

Ethiopia is not likely to be the only name to reappear in the famine headlines this year, however. Uganda's impoverished and wild north-eastern region of Karamoja is also on the danger-list, with an estimated half-million people threatened with starvation. Aid officials who met in Kampala last Wednesday agreed that many of them would die if some 160,000 tons of food were not sent by next July.

IN BRIEF

THE FINANCIAL director of a fertilizer factory in China's Jiangsu province was executed for embezzling the equivalent of $351,000 in what appeared to be part of a new crackdown on economic crime, an official report said yesterday. It was the tenth reported execution in less than a month, and the third of a convicted embezzler.

The official Xinhua news agency reported over the weekend that leaders of China's legislature are considering stiffening the penalties for embezzlement, smuggling and appropriating public funds. As it is, judges often hand down life terms or death sentences for such non-violent crimes as theft and embezzlement.

More than 10,000 people are estimated to have been executed since a major anti-crime campaign began in 1983.

A THIRD MAN shot by gunmen at a combined Sikh and Hindu religious meeting in London 11 days ago has died of his injuries, police said yesterday. Satwant Singh Panesar, 41, was shot in the chest when he tried to shield Mahraj Darshan Das Vasdev, identified as one of the leaders in Britain of the Namdharia sect within the Sikh religion. He died Saturday at Charing Cross hospital.

Das, 33, a travelling preacher, was killed in the November 11 attack in Southall, a West London district with a large Asian population, mainly from India and Pakistan. One of his followers, Joga Singh, 45, died of his gunshot wounds the next day. Two men have been charged with the murders of Das and Joga Singh.

CEAUSESCU

(Continued from Page One)

But he said he heard reports that other similar outbursts of public discontent also occurred in other Romanian cities.

Western diplomats in Bucharest said the protest took place as tens of thousands of Brasov residents went to voting booths to elect local and county officers.

Brasov, nestled in the Transylvanian alps north of Bucharest, has been plagued by food and energy shortages in recent years despite its key role in Romanian industry.

Romanians visiting Brasov last summer at the peak of the tourist season noticed shortages of milk, bread, butter and eggs, while meat and cheese was unavailable even at some restaurants.

Romania announced strict rationing of power and natural gas on November 11 as the government braced for a fourth straight winter of restrictions and hardships for its 23 million people.

Last February, there was a demonstration in the northeastern city of Iasi, near the Soviet border, where an estimated 5,000 students reportedly took to the streets to demand better heating of their dormitories and more food.

(AP, AFP)

Fighting erupts in Nicaragua, El Salvador and Guatemala

SAN JOSE (AFP). – Violent fighting has erupted over the past few days in three Central American nations – Nicaragua, El Salvador and Guatemala – despite a peace plan signed by five regional presidents.

In Oslo on December 10, the way the situation is looking, Costa Rican president Oscar Arias will receive the Nobel Peace Prize he won for his role as principal author of the plan to the echo half a world away of artillery and machine-gun fire.

Moves continue on the talks between governments and guerrillas, amnesties and the greater democratization and press freedom called for in the plan signed in August by the presidents of Costa Rica, Nicaragua, El Salvador, Guatemala, and Honduras, but the backdrop is bloody.

Diplomats in the region say that behind the intensity of the fighting is the possibility of "in-place" ceasefires, with guerrillas and government troops striving to control the maximum amount of territory by the time the whistle blows.

In Nicaragua, attacks by the U.S.-backed Contra rebels have redoubled in intensity, according to government officials.

A clash in the south of the country on Saturday left at least 20 dead – including six children – and 30 wounded, they said, adding that 15 of the wounded were also children. That brought the death toll among civilians and fighters in Nicaragua's civil war to more than 100 over the last three.

In El Salvador, fierce fighting between government troops and leftist guerrillas has resumed after a period of calm following the official inauguration of the peace plan on November 5. Those clashes have left at least six dead and many wounded over the last three days, according to reports from San Salvador.

President Napoleon Duarte decreed a unilateral ceasefire by government troops as the peace plan came into effect, but lifted it on November 19, citing "constant aggression" by the rebels trying to overthrow his centre-right government.

The Farabundo Marti national liberation front, for its part, denounced the pre-emptive attacks the government's armed forces carried out earlier this month despite the ceasefire. Early attempts to start talks between the two sides failed.

In Guatemala, where a "forgotten war" is being fought, the peace plan appears to have had the effect of bringing it into sharp focus, with rebels intensifying their attacks over the last few days. The Guatemalan National Revolutionary Unity, an umbrella grouping, says rebel forces have killed or wounded 120 government troops since the start of November.

Some positive signs are apparent, nonetheless. In Nicaragua, the country on which most world attention focuses because of U.S. support for the rebels, the government has agreed to open indirect ceasefire talks with the Contras through the archbishop of Managua, Miguel Cardinal Obando y Bravo.

In El Salvador, an important gesture was the return on Saturday after seven years of voluntary exile of Ruben Zamora, vice president of the Democratic Revolutionary Front (FDR), regarded as the political arm of the guerrilla movement. He is planning to play an active political role, and FDR President Guillermo Ungo is due to return today.

The five presidents who signed the peace plan are due to meet here on January 15 to evaluate progress.



(Reuter)

Northern Ireland mourners surprised by Thatcher visit

ENNISKILLEN, Northern Ireland (AP). – Thousands of Catholics and Protestants thronged this town yesterday for a restaging of the memorial service to British war dead devastated two weeks ago by an IRA bomb that killed 11 people.

Prime Minister Margaret Thatcher unexpectedly flew in to lay a wreath at the war memorial, just metres from the boarded-up wreck of the community centre where the bomb exploded on November 8.

Clad in black and wearing the red poppy that commemorates the dead of two world wars, Thatcher stood without an umbrella in pelting rain, sharing the grief of a town still dazed by the bombing.

Police and troops mounted a heavy guard around the town of 13,000 in the west of Northern Ireland, and for security reasons no advance word was given of Thatcher's attendance.

An unusually large 250-strong honour guard raised flags as the wreaths piled up on the statue, which depicts a soldier of the Royal Enniskillen Fusiliers, one of the oldest and most decorated units of the British army.

The annual commemoration is a largely Protestant affair in Northern Ireland, because the Catholic minority tends to follow the practice of the Irish republic, where the day is not observed.

But yesterday's service took on an ecumenical flavour, reflecting the revulsion felt by many Catholics over the bombing.

Many mourners came from the republic, and Radio Telefiseireann, the Irish state broadcasting authority, broadcast the event live, as did the BBC and commercial independent television.

Tamil leader to India

Sri Lanka struggles to maintain cease-fire

COLOMBO, Sri Lanka (AP). – The Indian army's 48-hour ceasefire in its battle against Tamil rebels entered its second day yesterday despite two shooting incidents on the first day.

One of the shooting incidents Saturday was blamed on the dominant Tamil Tigers militia and the other on an Indian soldier who went berserk and fired wildly in eastern Sri Lanka. There were no reports of trouble yesterday.

Meanwhile, the *Statesman* newspaper in New Delhi reported that Velupillai Prabhakaran, leader of the Liberation Tigers of Tamil Eelam, would arrive in India for talks on ending the India army offensive against the Tamil rebels.

India has more than 20,000 soldiers in Sri Lanka under an accord with the island's government aimed at ending the rebels' 4-year-old war for a separate Tamil nation.

A senior official in the ruling party in the Tamil-majority southern Indian state of Tamil Nadu reported earlier that Prabhakaran was expected to visit the state capital of Madras and later go to New Delhi.

The official said Prabhakaran would meet with Tamil Nadu chief minister M.G. Ramachandran, who also had strongly urged the government to declare a cease-fire.

One of the shooting incidents Saturday erupted near Chavakacheri, the village where Tiger officials handed over 18 captured Indian soldiers last Thursday to set the stage for the truce.

Tiger fighters and Indian soldiers exchanged gunfire after the Tigers shot at an Indian patrol near the village, about 20 kilometres east of Jaffna, according to Indian officials in New Delhi.

Gaddafi lashes out at Arab ties with Egypt in 'dirty Amman conspiracy'

LONDON (AP). – Libyan leader Muammar Gaddafi in a speech aired yesterday denounced Arab nations for renewing relations with Egypt following the Amman Arab League summit.

During the speech broadcast on Libyan television and monitored here, Gaddafi also called for "pressure" on Iran to end its war with Iraq.

The official Libyan news agency Jana said in a dispatch from Tripoli that Gaddafi was addressing the opening session of the General People's Congress, which was drafting the agenda for the Local People's Congresses, lawmaking vehicles in the north African country since the colonel came to power in a coup in 1969.

The Amman summit yielded to Syrian pressure not to lift Egypt's suspension from the 22-member league. In 1979, 17 league members broke relations with Egypt to punish it for its peace treaty with Israel. But the summit decided, in effect, that any member who wanted to could restore relations, and so far nine states have done so since the summit ended on November 11.

"As far as I am concerned, I would prefer to see Libyan relations with all the Arab states broken because of this issue, rather than see Libya have relations with them at the expense of this issue," Gaddafi said in the televised speech.

"The dirty Amman conspiracy" should be discussed by the Local People's Congresses.

He said it was a disgrace for a country like Libya to have relations with "these filthy regimes. Only the enemy benefits from them. This being the case, we can do without them," Gaddafi said in the broadcast.

In Cairo, Egypt's chief security prosecutor accused 15 men yesterday of trying to damage the country's economic and political interests through sabotage and terrorism in a conspiracy with Libyan agents.

A state security court charge sheet filed by attorney general Ragaa el-Arabi accused the suspects of "plotting acts of sabotage with Libyan agents against a number of foreign and Egyptian establishments" from 1983 until May 1987. The charge sheet referred seven of the suspects to the court for trial but said eight remained at large.

It said the 15, who had received military training in Libya and Lebanon possessed arms and explosives with which they were to have carried out the alleged plots.

El-Arabi cited an incident in May 1986 in which three of the suspects allegedly prepared and placed explosives outside a joint Egyptian-American bank. The device, placed at the entrance of the bank on a busy downtown street, exploded after business hours but caused no damage.

Other bomb plots were aimed at Cairo offices of British Airways and an unspecified U.S. airline, the British-owned Thomas Cook travel agency and a bus taking tourists between Cairo and Tel Aviv. No bombs exploded at any of these targets.

'Gulf leaders balk at financial aid for confrontation states'

CAIRO (Itim). – At the recent Arab summit, the Gulf states refused to continue giving their financial support to the "confrontation states," according to *Al-Musawwar* editor Makram Mohammad Ahmad. Ahmad wrote on Friday that the president of the United Arab Emirates told the first closed session of the Amman summit that the Gulf states had agreed to resume diplomatic relations with Egypt, whatever the summit decided.

He said that the UAE and other Gulf states had already told Egypt they would be renewing relations; but they were delaying implementation of their decision, pending a possible favourable statement from the summit.

The Egyptian paper reported that Iraqi President Sadam Hussein supported the return of Egypt to the Arab League without prior conditions. Hussein said that Egypt had proved itself loyal to the Arab cause, both regarding the Iraq-Iran war and the Palestinian problem.

According to *Al-Musawwar*, the Syrians managed to prevent the return of Egypt to the Arab League on strictly legal grounds. A report on the return of Egypt to the league will be submitted to the next Arab summit in Riyadh next November.

The big surprise, writes Ahmad, was the attitude of Algeria, which continually stressed the importance of Arab solidarity in the informal meetings; but opposed the return of Egypt to the league in the plenum.

Cat out of bag on public relations at UN scratches Canadian in charge

By DAVID JULIUS

UNITED NATIONS.–A disgruntled staff member recently secretly left a stack of printed documents outside the UN canteen. They swept through the mammoth glass and concrete complex like wildfire and the cat was out of the bag.

What they disclosed was that the recently-appointed UN undersecretary general for public information, Therese Paquet-Sevigny, a Canadian national, has been spending huge sums of money on trying to beef up the UN's image. But more importantly, 60 per cent of the consultants are Canadian.

This has hit home at delegates who regularly cry out for geographical distribution when making new appointments. Why, for instance, were people from Africa and Asia not considered for some for these posts, she was asked. This came during a press briefing she gave two days after the storm broke. By all accounts, her appearance in front of the UN press corps was poor.

In addition, one New York "image" consultant who regularly coaches presidential hopefuls how to sit and what not to say when appearing on television, was paid $5,000 for one day's work at the UN last month.

UN Secretary-General Javier Perez de Cuellar is no great shakes when it comes to facing the cameras, and ironically, he was not asked to attend the image seminar.

"If anyone needs to bolster his image, it's him," said another diplomat. "Perhaps that's the reason why the secretary-general is not asked to appear on major television programmes in the U.S."

The leaked document shows that nearly $300,000 has been spent on image work and questions are being asked about the activities of UN staff who are paid handsomely to do precisely the tasks that have been handed out in lavish contracts.

(London Observer Service)

(Communicated)

Over 400 members of Hadassah-Wizo Canada visit Assaf Harofeh Medical Center

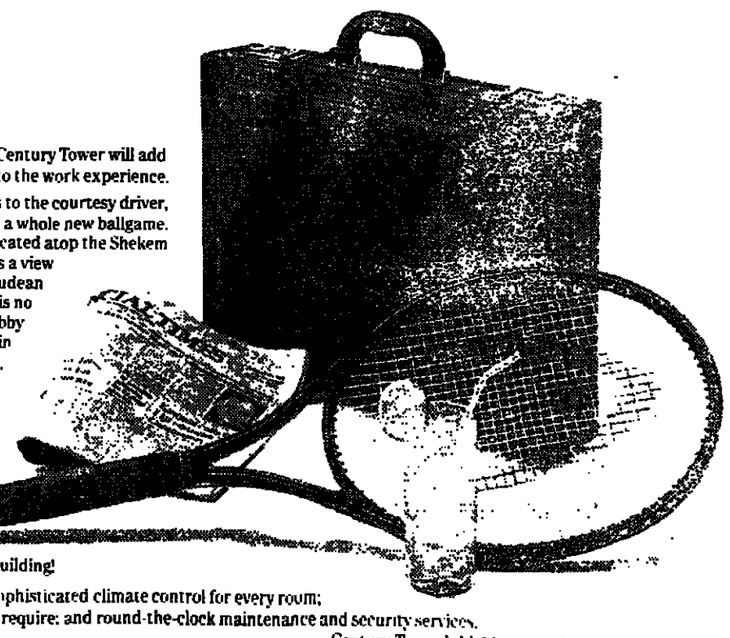
Over 400 members of Hadassah-Wizo Canada visited Assaf Harofeh Medical Center in Zerifin for the dedication of the Cecily Peters Medical Diagnostic Imaging Center. The center is the heart of the hospital and houses the computerized tomography unit, the angiograph, the ultrasound unit, conventional radiology and pediatric radiology.

Over the past thirty years, Hadassah-Wizo has made numerous outstanding contributions to Assaf Harofeh, including the Mirial Small School of Nursing; the School of Physiotherapy; the Rehabilitation Center for Handicapped Children; the Jennie Lohn Pediatric Ward; the Clara Balinsky Day Care Center; medical equipment for dialysis, cardiology and research programs.

Hadassah-Wizo Canada is one of the first friends of the Medical Center and considers Assaf Harofeh its hospital in Israel.

The dedication took place on November 22 in the presence of Mrs. Shulamit Shamir, wife of the Prime Minister; Cecily Peters, the outgoing President of the organization; Naomi Frankeburg, newly elected President; as well as representatives of the Ministry of Health, senior medical staff and leaders of the Friends Organization in Israel and abroad.

ANYONE FOR TENNIS?



Moving your business to Century Tower will add a new dimension to the work experience.

From the moment you hand your car keys to the courtesy driver, you'll realise that Century Tower is a whole new ballgame. Every floor of this 20-storey tower located atop the Shekem department store on Ibn Gvirol Street, affords a view of the Mediterranean to the west and the Judean Hills to the east. Inside the building, the view is no less impressive. Luxurious marble-panelled lobby bathed in foliage. Soft wall-to-wall carpeting in every room and corridor. High speed elevators.

Century Tower combines recreation and shopping under a single roof. The lower floors contain restaurants, a deluxe shopping mall, and a health center including gym and tennis courts.

This must be the only place in Israel where you can pop out for a quick game of tennis during your noon break without having to leave the building!

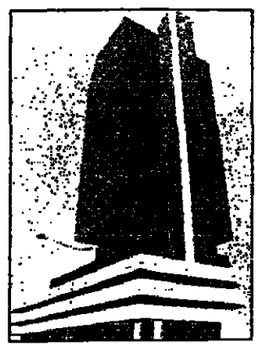
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Angry farmers block entrance to bailiff-threatened moshav

By DAVID RUDGE
Jerusalem Post Reporter

BEIT SHE'ARIM. – Hundreds of farmers from throughout the country rallied to the aid of this moshav yesterday to prevent bailiffs from attaching the private property of members indebted to Bank Leumi.

The angry farmers, from moshavim and kibbutzim, formed a human barrier across the entrance to this veteran Jezreel Valley moshav and vowed they would not let the bailiffs pass.

"If we allow it to happen to this settlement, ours could be next," one of the demonstrators shouted.

The farmers, carrying placards with the names of their settlements, condemned the government for failing to implement the proposed recovery programme for the country's crippled and debt-ridden moshavim and kibbutzim.

"After 32 years of struggling day and night, somebody can come along and take away my personal belongings," said Avraham Avinaim, 57, a member of Moshav Azorim.

He charged that the government's economic policies and the banks' high interest rates were responsible for the financial plight of the country's farmers.

Labour MK Edna Solodar, herself a member of Kibbutz Gesher, described Bank Leumi's attempts to attach the property of Beit She'arim's members as a "grave development."

Lower Galilee Regional Council chairman Benny Gorfinkel said representatives from 60 moshavim and kibbutzim had come to Beit She'arim to show solidarity with the moshav's residents.

"We cannot and will not let Bank Leumi get away with this. There was an agreement with the banks that they would not take action to recover debts from settlements, pending the government's recovery programme," he said.

"This demonstration is meant to show the creditors that they cannot hope to recoup their money in this fashion," he added.

The bailiffs were noticeably absent.

The rally broke up without any interference from a small contingent of police and the farmers returned to their fields.

Later, members of Beit She'arim said they had received an assurance that Bank Leumi had called off the bailiffs pending negotiations over the moshav's outstanding debts.

The settlement has debts totalling $4 million, of which about $1.5m. are owed to Bank Leumi.

23 Middlesex Regiment veterans ending 'nostalgia tour' of Israel

By DAVID BAKER
For The Jerusalem Post

As far as Patrick Pielou is concerned, Israel is "a lot more relaxed" now than it was 40 years ago, when he was one of the last British Mandate officers to sail away from the fledgling Jewish state.

Pielou, a former British intelligence captain, is one of 23 veterans of the Middlesex Regiment wrapping up an eight-day "nostalgia tour" conceived by El Al and a Tel Aviv travel agency as part of the state's 40th anniversary activities.

The tour included former British military bases now used by the IDF; the King David Hotel, the former British headquarters blown up by the Irgun in 1946; and kibbutzim where the soldiers had once made friends.

Also on the itinerary were visits to Acre prison, where British guards once watched over – and sometimes executed – Jewish underground members, and to the British war cemeteries in Jerusalem and Ramle, where some 12,000 British casualties from regional battles in both world wars are buried.

"I'm astonished at the changes that have happened here since we left," Pielou said last night.

"The country has really prospered, it's amazing," he said. Now a 59-year-old administrative manager in London, the former intelligence officer said he "never doubted" the young Jewish state's viability.

"The Jews were so determined to hold on and to have their state, there was no way they would lose," he said.

Pielou and his unit sailed out of Haifa port a few days after the State of Israel was proclaimed, and he says he remembers the day well.

"Haifa was erupting. Planes were bombing the city, explosions rocked the place," he said.

Some soldiers in Pielou's unit didn't make it home to Britain, but not because of the shelling. Typhus raged through the ship on the way back to Britain, killing many of the troops on board.

Despite occasional incidents between the unit and the Jewish and Arab populations during the year preceeding Israel's independence, Captain Pielou said relations were generally good.

"We would frequently visit Kibbutz Eilon in the Galilee and sit for coffee. We got along well," he said, adding that his group revisited the kibbutz this past week.

Pielou remembers a day shortly before independence, when the Lebanese army overran a Jewish settlement near Acre.

"We offered to evacuate the wounded, but they insisted on fighting to the end," he recalled.

Pielou recalled his feelings in 1948 as he and the British Mandate sailed home.

"I never believed that this country would develop so much. It was barren and desertlike when we served here. Now it's built up, and you can feel the Jewishness here," he said. "In 1947 and 1948 when we served here, the Jews were much more on the defensive. Now, Israelis are more open and friendly. They're much more relaxed."

Segregation of disabled in Germany aided Nazis' sterilization programme

By LEA LEVAVI
Jerusalem Post Reporter

It would have been harder for the Nazis to carry out their sterilization and euthanasia programme had the disabled lived at home with their families and been more acceptable and visible in German society instead of being segregated in institutions. This is the conclusion of Professor Sieglind Ellger-Ruttgardt of the University of Hanover, an expert in special education, who is here on a 10-day visit to make contact with disabled persons who survived the Holocaust, with their relatives and with professionals who worked with disabled individuals at that time. However, she added, it would be an oversimplification to say that merely segregating the disabled in institutions led to their sufferings under the Nazis.

During a lecture at Bar-Ilan University, on the history of special education in Germany, she said "At first, the Nazis closed schools for the learning-disabled because they didn't want to waste money on such people. Two years later, though, they changed their mind – not out of any desire to help these people but rather because they felt that if the learning-disabled were kept together they could be better controlled, whether for sterilization or to use them as labourers."

She said the church finally spoke out against the policies toward the disabled in 1941 and as a result the policies were changed officially – though unofficially, sterilization and euthanasia continued. "There were a few teachers who took personal risks to try to protect their pupils, but most didn't and some perhaps even agreed with Nazi policies... I am sorry to say that some older people in Germany still have deep prejudices against the disabled. One of my students recently mentioned his special-education studies in the hearing of an elderly man who asked him why he is wasting his time on 'those worthless people.' I think young people feel differently – though there are neo-Nazis among the young, too."

She said segregated education for the disabled is still the norm today, though some efforts to provide a variety of educational settings, have been tried in recent years. Social Democrats tend to approve of this, and of a more comprehensive educational system generally, while Conservatives still want an elitist system in which the disabled and disadvantaged are relegated to second- class status, she said.

Anyone wishing to contact Ellger-Ruttgardt about her research may write to her care of Dr. Miriam Gillis, Bar-Ilan School of Education, and the letters will be forwarded.

Plans to live to age 200

Rich Japanese donates $1.5m. for Haifa museum's new wing

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. – One of Japan's richest men, 88-year-old Ryoichi Sasakawa, yesterday started "an era of friendship" between his country and Israel. While giving a $1.5 million donation for the new Sasakawa wing in the Tikotin Museum of Japanese Art on Mt. Carmel, he also gave Israelis the benefit of his personal recipe for living to the age of 200, which "my studies have led me to see as feasible, and I intend to do so."



Ryoichi Sasakawa receives a certificate bestowing honorary citizenship of Haifa from Mayor Arye Gurel yesterday. (Paul Meiling/Israel Sun)

Dressed in traditional garb – a black *haori* half-coat over a black-and- white striped pair of *hakama* ankle-length wide trousers – and holding a fan, he said the recipe included: no smoking, no indulging in the hobbies of the rich, like golf; forswearing greed and desires; helping the less fortunate; avoiding rich food, but carefully chewing simple fare with a "feeling of heartfelt gratitude for the meal."

Sasakawa, who is chairman of the Japan Shipbuilding Industry Foundation and 50 other associations and foundations connected with millions of his countrymen, has already given away billions of dollars to good causes.

"I wear no glasses or overcoat. I walk rather than take the elevator, and I jog when I can.

"My motto is 'the world is one family, all mankind are brothers and sisters,' " he said in his speech after Mayor Arye Gurel made him an honorary citizen of Haifa in a City Hall ceremony in the morning.

"Some of my best friends are Jewish and I have always been an admirer of your great country and the Jewish people, who have so much in common with the Japanese," he said.

He said he firmly believed that it had been God's will that he come to the Holy Land. "God says to me I must be the sweeper of this dirty world," and he said that closer ties between Japan and Israel would eventually lead to universal peace.

Accompanied by Japanese press and TV reporters, he promised to spread the word of Israel to his countrymen.

Ambassador to Japan Ya'acov Cohen, who, with the Japanese Ambassador Koichi Tsutsumi, attended the ceremony, said that even more important than the donation was the fact that Sasakawa would do much to inform his countrymen about Israel, of which they were almost totally ignorant. He noted with pleasure that Israel-Japan relations "have started to move." After years of stagnation, Israel's trade with Japan was picking up and more Japanese were coming here as tourists, Cohen said.

Sasakawa, who will spend a week in Israel, later laid the foundation stone for the museum's new wing and received Haifa University's award of merit from president Ephraim Evron.

Calling himself "a young man," Sasakawa stood throughout the ceremonies and confided that when he had jogged with his "good friend" Jimmy Carter in Tokyo, "I beat him." He was tickled to have spent the night in the same room that the American president had occupied in the Dan Carmel.

'Jilted bridegroom' Wertheimer won't buy Beit Shemesh Engines

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. – "The biggest enemy of Zionism today is the huge government," Steff Wertheimer, the Nahariya industrialist, said yesterday, as he withdrew in disgust from his offer to buy and revive Beit Shemesh Engines.

"After a whole year of talking, they simply didn't come through with the deal," he said.

"I feel like a jilted bridegroom."

Wertheimer said he had written to the premier that he was "through" with the deal, after a year of government procrastination and indecision.

"The ending of the Lavi project didn't stop me. The difficulties that are overwhelming the factory didn't stop me, but the government did," he added.

"The conclusion from this sorry tale is that small is beautiful for government, and what Israel needs is less government and more people allowed to develop their initiative for the good of the country," he held. "This would perhaps be the best way to keep them from emigrating."

His long and patient attempt to save the factory had proved to him that the government was not serious about privatization. "They talk about it, but they don't really know how to go about it. At this stage, it is too early."

Wertheimer had nothing but praise for Giora Gazit, who had mediated on behalf of the government in the deal, and who has now himself resigned in disgust, and for the giant U.S. aircraft engine makers, Pratt and Whitney, who hold a 42 per cent share in the factory.

"They demonstrated remarkable patience and good will through the long year and I only hope they will stay with us despite all we had to go through," he said.

Wertheimer stated that during the year that has been wasted the government has wasted another $30 million on the factory, including the wages for 200 of the 650 workers who are redundant, and in effect have been sitting at home and drawing their pay.

"They were eager to go with the very good severance pay that was offered, but the government was simply scared to make the move."

He noted that six months ago the government had "gone so far" as to actually decide by a majority vote to put through the privatization sale, but since then he heard nothing from them.

"It is sad that our two prime ministers merely travel around the world talking about their peace initiatives, while, they, are snared, to tackle the real problems inside the country.

"They left Finance Minister Moshe Nissim to mind the store. But he is kept so busy by 24 ministers all wanting a bigger share of the American aid funds that he simply has had no time to deal with Beit Shemesh."

As a final absurdity, the mayor of Beit Shemesh had suddenly decided that now was the time to demand the rates the factory owed the city.

Wertheimer said that he would devote his energies to pushing an industrial park project for Jerusalem. "If there is no way to the capital through Beit Shemesh, I'll make it through the old Castel route," he said.

He believes that the park is what Jerusalem needs now. "And what the country needs is a government that will be poorer so that the people will be richer and will want to stay in the country." In any case, as far as he is concerned, he is through with Beit Shemesh.

LOCAL BRIEFS

SPNI appeals NIS12m. damages to disabled man

The Society for the Protection of Nature in Israel has lodged an appeal to the High Court against a district court ruling in October ordering the SPNI and the state to pay damages of some NIS 12 million to John Cohen of the U.S.

Cohen, 22, became 100 per cent disabled after falling 30 metres while on an SPNI tour of the Golan Heights in 1981.

In the appeal, the society's lawyer claimed that the district court had been mistaken in finding the organization responsible for the accident and, further, in ordering compensation to be paid according to American norms. No Israeli court had ever before ruled that "U.S.-style" costs be paid, even in cases where the plaintiff was American.

The SPNI has said that the decision will be detrimental to the future of organized tours in Israel, and will particularly hurt young people, both Israelis and foreigners.

Pupils don gas masks for civil-defence exercise tomorrow

Groups of high school pupils in various parts of the country are to don gas masks tomorrow in a civil-defence exercise to prepare them for chemical-warfare attacks.

The drills, the first of their kind to be held in schools, reflect growing concern in the defence establishment over the possibility that hostile forces may use such weapons to strike at towns and cities. Syria is reported to have recently placed gas and chemical warheads on missiles and artillery shells.

The Education Ministry said that five high schools would be involved in tomorrow's exercise, but other schools might have similar drills at a later date. Teachers responsible for security have been briefed on defence against chemical warfare since the start of the school year.

The exercises are to be carried out under the guidance of civil defence officials and have been organized by Education Ministry security chief Mordechai Sheffer.

Education Minister Yitzhak Navon and ministry Director-General Shimshon Shoshani are to take part in one of the exercises at a Jerusalem high school.

Tours of Holocaust sites urged for Israeli pupils

TEL AVIV. – More high school pupils should visit Holocaust sites in Germany and Poland, according to the Secondary School Teachers' Association. At present, such tours are arranged by local authorities and other organizations; but Shoshana Bayer, the association's chairman, has asked Education Minister Yitzhak Navon to give such tours financial and moral support.

Bayer said it would be impossible to send every pupil on such a visit; but criteria could be established, and more could go than at present. The experience far transcends anything that can be achieved by classroom instruction or film and video programmes, she said.

Transvestite sentenced

TEL AVIV (Itim). – Zalman Shoshi, a self-confessed transvestite, was yesterday sentenced in the Tel Aviv District Court to five years in prison, after being found guilty of extorting money from a businessman by threatening to disclose their relationship.

Shoshi, who confessed to the crime, expressed regret about the man's subsequent suicide, and said he shared the family's grief.

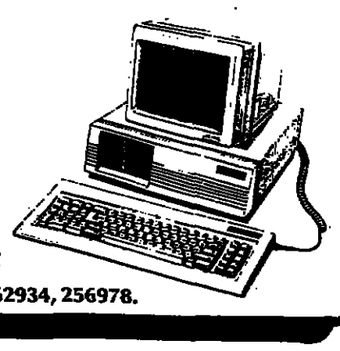
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TELEVISION

EDUCATIONAL TV
8.00 Teletext 8.05 Keep Fit 8.15 School broadcasts 14.00 Teletext 14.05 Contact 14.35 Making Magic 15.00 Family Problems 15.40 Keep Fit 15.50 Teletext 16.00 The Prisoner (part 5) 17.00 A New Evening – live magazine

ISRAEL TV CHANNEL 2
8.30 The Demjanjuk Trial – live broadcast 17.30 Children's cartoons 18.00 Film 19.30 The Demjanjuk Trial – roundup 20.00 Documentary – The World Around Us 21.00 Pop 2

JORDAN TV (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Kate and Allie 21.10 Falcon Crest 22.00 News in English 22.20 Tusitala

MIDDLE EAST TV
13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Muppet Babies 15.30 Super Book 16.00 Fraggle Rock 16.30 Afternoon Movie: In Society 18.00 Happy Days 18.30 Laverne & Shirley 19.00 News 20.00 Magnum P.I. 21.00 Monday Night Football 23.00 700 Club 23.30 Another Life

ARMY
6.05 University on the Air 6.30 Open Your Eyes – songs, information 7.07 "707" 8.00 Good Morning Israel 9.05 In the Morning 10.05 Music 11.05 Right Now 13.05 Hebrew hits 14.05 Daily sounds 15.05 Festival songs

RADIO

16.05 Four in the Afternoon 17.00 Evening Newsreel 18.05 In Memory of Marcel Tobias 19.05 Hebrew songs 20.05 Books Gentlemen, Books (repeat) 21.00 Mabat – TV newsreel 21.30 University on the Air (repeat) 22.05 Popular songs 23.05 The 24th Hour 00.05 Night Birds – songs, chat

ARMY TWO
19.05 Radio Radio 20.05 Sports Magazine 23.05 It all flows – Jazz

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AM		FM	
NORTH	1368	HAIFA	102.3
HAIFA	1305	JORDAN VALLEY	107.9
TEL AVIV (& central area)	1287	JERUSALEM	96.6
JERUSALEM	1404	BEERSHEBA	99.8
BEERSHEBA	1224	EILAT	107.9
MITZPE RAMON	1395		
HAYUN	1368		
EILAT	1305		

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Regular daily programmes
3.00-8.00 Nightbeat
15.00-16.00 Kassah Programme
18.00-19.30 Twilight Time
19.30-21.00 Classical Music

CINEMA PERFORMANCES

JERUSALEM
Beit Agron: The Lady and the Tramps 4.30; Falling in Love 6; Harold and Maude 8; The Wall (Pink Floyd) 9.45; **Cinematheque:** Un Amour de Swann 7; The Plough and the Stars 9:30; Malcolm 9:30; **Eden:** Beverly Hills Cop II, 4:30, 7, 9:15; **Edison:** Critical Condition 4:30, 7, 9:15; **Habira Cinema Empire:** closed for renovations; **Jerusalem Theatre:** Jean de Florette, 7, 9:30; **Kfir:** No Way Out 4:30, 7, 9:15; **Mitchell:** The Untouchables 7, 9:15; **Orgil:** Rita, Sue and Bob Too 4:30, 6:45, 9; **Orion Or 1:** La Solitaire 7:15, 9:15; **Orion Or 2:** Beauty of Vice 4:30, 7, 9:15; **Orion Or 3:** The Witches of Eastwick 6:45, 8:45; Whistle Blower 4:30; **Orion Or 4:** Full Metal Jacket 4:30, 6:45, 8:45; Don't Give a Damn 10:45 p.m.; **Orion Or 5:** Whistle Blower 6:45, 10:45; Don't Give a Damn 4:30, 8:45; **Orna:** Who Is That Girl? 4:30, 7, 9; **Rex:** Good Wife 4:30, 7, 9; **Semadar:** Tuxedo 7, 9:15.

TEL AVIV
Beit Hassin: Zelig 11:15 p.m.; **Ben Yehuda:** No Way Out 4:30, 7, 9:30; **Beth Hatefutsoth:** Hester Street 7; **Chen 1:** Bedroom Window 5, 7:30, 9:50; **Chen 2:** Full Metal Jacket 5; 7:35, 9:50; **Chen 3:** The Witches of Eastwick 5, 7:25, 9:50; **Chen 4:** Little Shop Around the Corner 11, 2, 5, 7:30, 9:50; **Chen 5:** Burglar 11, 2, 5, 7:30, 9:50; **Cinema One:** Closed for renovations; **Cinema Two:** Mean and Dirty 5, 7:15, 9:30; **Dekel:** Roxanne 7:15, 9:30; **Dizengoff 1:** Wish You Were Here 11, 1, 3, 5, 7:30, 9:45; **Dizengoff 2:** The Name of the Rose 7:15, 9:45; A Man in Love 11, 1, 3, 5; **Dizengoff 3:** Lightship 11, 1, 3, 5, 7:30, 9:450; **Drive-In:** The Untouchables 7:15, 9:30; Sex film, midnight; **Esther:** Man Hunter 5, 7:30, 9:45; **Gat:** Good Morning Babylon 5, 7:25, 9:50; **New Gordon:** Constance 4:30, 7:15; 9:30; **Hakolnoa ZOA House** Don't Give a Damn 4:30, 7:30, 9:30 (exc. Thur.); **Hod:** Naked Cage II, 5, 7:15, 9:50; **Lev 1:** La Famiglia 2, 5, 7:10, 9:40; **Lev 2:** Manner 2, 5, 8, 10; **Lev 3:** Down By Law 2, 5, 7:50, 10; **Lev 4:** The Beekeeper 2, 4:50, 7:20, 9:45; **Limor Hamelnudash:** No Way Out 4:30, 7, 9:30; **Mazkir:** Black Widow 4:30, 7:30, 9:30; **Orly:** Maret Sade 4:30, 7, 9:30; **Paris:** She's Gotta Have It 12, 2, 4, 7:15, 9:30; **Peer:** Beauty of Vice 5, 7:15, 9:30; **Shahaf:** The Untouchables 4:30, 7, 9:30; **Sivan:** Who Is That Girl 5, 7:30, 9:40; **Tamuz:** King of Hearts 7:30, 9:40; **Tchelet:** Whooping Cough 5, 7:30, 9:45; **Tel Aviv:** La Solitaire 5, 7:15, 9:30; **Tel Aviv Cinematheque:** Heavy Metal (animation) 7; Animation 9; **Tel Aviv Museum:** Prick Up Your Ears 4:30, 7:15, 9:30; **Zafon:** Jean de Florette 4:30, 7, 9:30.

HAIFA
Amphitheatre: Dutch Treat 4:30, 7, 9:15; **Atzmon 1:** No Way Out 4:30, 6:45, 9:15; **Atzmon 2:** The Untouchables 4:30, 6:45, 9:15; **Atzmon 3:** Beverly Hills Cop II, 4:30, 7, 9:30; **Chen Hamelnudash:** Full Metal Jacket 4:30, 6:45, 9:15; **Karen Or Hamelnudash:** She's Gotta Have It 4:30, 7:15, 9:15; **Orah:** Assault 6:30, 9; **Orly:** La Famiglia 6:30, 9; **Peer:** Bedroom Window 4:30, 7, 9:15; **Rav-Gat 1:** Who Is That Girl? 4:30, 7, 9:15; **Rav-Gat 2:** The Witches of Eastwick 4:30, 7, 9:15; **Ron:** Le Solitaire 4:30, 7, 9:15; **Stavit:** Jean de Florette 7, 9:15.

RAMAT GAN
Armon: Black Widow 7:30, 9:45; **Lily:** Beauty of Vice 7:15, 9:30; **Oasis:** Who Is That Girl? 5, 7:30, 9:50; **Ordea:** Mosquito Coast 7:15, 9:30; **Rav-Gan 1:** Bedroom Window 5, 7:30, 9:50; **Rav-Gan 2:** Full Metal Jacket 5, 7:30, 9:50; **Rav-Gan 3:** The Witches of Eastwick 5, 7:30, 9:50; **Rav-Gan 4:** Burglar 5, 7:30, 9:50.

HERZLIYA
Dan Accadia: Ginger and Fred 7, 9:30; **Daniel Hotel:** Stand By Me 7:15, 9:30; **David:** The Name of the Rose 7, 9:30 (exc. Wed.); **Hechal:** The Untouchables 4:30, 7, 9:30; **New Tiferet:** Who Is That Girl? 7:15, 9:15.

HOLON
Armon Hamelnudash: Red Kiss 7:15, 9:30; **Migdal:** Who Is That Girl? 7:30, 9:30; **Savoy:** The Untouchables 4:30, 7, 9:30.

BAT YAM
Atzmaut: Number One With a Bullet 4:30, 7:15, 9:30.

GIVATAYIM
Hadar: The Untouchables 4;30, 7, 9:30.

RAMAT HASHARON
Kochav: The Living Daylights 7: Angel Hearts 9:30.

PETAH TIKVA
G.G. Hechal 1: The Untouchables 4:30, 7:15, 9:30; **G.G. Hechal 2:** Number One With a Bullet 5, 7:15, 9:30; **G.G. Hechal 3:** The Witches of Eastwick 5, 7:15, 9:30.

RISHON LEZION
G.G. Ron 1: Tenue de Soiree 4:30, 7, 9:30; **G.G. Ron 2:** The Untouchables 4:30, 7, 9:30.

KFAR SAVA
Beit Bert Cinema-Theatre: Tenue de Soiree 8:30.

KIRYAT ONO
Community Centre: Little Shop of Horrors 7, 9:15.

NETANYA
Dor – Hechal Tarbut: Angel Heart 7:15, 9:30.

BEERSHEBA
Hechal Hatarbut: Down by Law 7, 9:15.

WHAT'S ON

Notices in this feature are charged at NIS 9.90 per line, including VAT. Insertion every day of the month costs NIS 197.80 per line, including VAT, per month. Rates calculated according to regular newspaper column width.

JERUSALEM
Museums

ISRAEL MUSEUM. Traditional Arab Handicrafts (Paley Centre) ◊ Hanukka Lamp Collections (Ticho House) ◊ "Father Series", Nurit David ◊ Ilana Goor's recent original iron-furniture designs. ◊ Photographs, Boaz Tal. Renaissance themes in contemporary context ◊ Justen Ladda, new work expressly for Israel Museum ◊ Captive Dream, Jerusalem 1967 ◊ Tradition and Revolution: Jewish Renaissance in Russian Avant-Garde Art ◊ Emphasis: Arieh Aroch, Michael Gross, Igael Tumarkin ◊ Edomite Shrine ◊ New in Antiquities '87 ◊ Wondrous India ◊ **Special Exhibits: Priestly Benediction on Silver Scrolls ◊ Negev 1987,** Magdalena Abakanowicz ◊ Wondrous India ◊ Permanent Exhibitions of Archaeology, Heritage, Ethnic Art and Shrine of the Book w/Dead Sea Scrolls. Archeological (Rockefeller) Museum: Crusader Art ◊ Animals in Ancient Art. ISRAEL MUSEUM VISITING HOURS: Main Museum 10-5. At 11: Guided tour of Museum (English). 3: Guided tour of Archaeology galleries (English). 3-4: Free Workshop. 2-5: Feinstein Recycling Room. 8:30: Concert No. 1, Trios in the Gallery (Ticho House).

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun.-Thur. 10-1; 3:30-6. Fri. closed. Sat. and holiday eves 10-1. Holidays: check with Museum. 2 Hapalmah St., Tel. 661291/2. Bus No. 15.

SKIRBALL MUSEUM of Biblical Archaeology of the Hebrew Union College, 13 King David Street, Tel. 203333. Visiting hours: Sun.-Thur. 10-4; Fri., Sat. and Hol. 10-2.

Conducted Tours

HADASSAH HOSPITAL, Ein Karem. Chagall Windows – synagogue open 8.00 a.m.-4.00 p.m. Tours: Sun.-Thurs., hourly on the half hour: 8.30 a.m.-12.30 p.m. Fri. open 9.00 a.m.-12.45 p.m. Tours, hourly on the half hour: 9.30-11.30 a.m. Entrance fee. **Half-day tours of the installations:** Sun., Tue., Thur. Details: 02-416333, 446271.

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Uneasy Partners

Learning to Live With A Coalition Government

By DAVID K. SHIPLER

WASHINGTON

THE American system of government usually proves more ingenious than the men and women who run it. So it seemed last week, as the suppleness of the system permitted some self-correcting accommodation and compromise in the struggle between the legislative and executive branches over control of foreign policy. In arms control, the Central American peace process and the Iran-contra scandal, Congress moved, respectively, to impose moderation, fill a policy-making vacuum and turn toward the curative sunlight a festering sore of secrecy.

This is a 200-year-old contest, set in motion by the Constitution's prescient recognition that tension between competing centers of power is an effective brake on the abuse of power. The first skirmish took place in 1793, when President George Washington issued a Proclamation of Neutrality in the war between France and Britain; this angered the Jeffersonian Democratic-Republicans, who were pro-French, and precipitated an erudite debate between James Madison, who urged that doubt about such authority be resolved in favor of the Congress, and Alexander Hamilton, who gave preference to the President in the conduct of foreign affairs.

The beauty is that the competition has never been resolved, and it remains unresolved as President Reagan's decline contributes to the ascendancy of a Democratic-controlled Congress.

"The last year of his Presidency is going to be a coalition government," said William Schneider, a political analyst at the American Enterprise Institute. "Anything that is accomplished is going to be accomplished with cooperation with the Democrats." Some scholars, he added, believe that "we do really have a parliamentary system." Except that in a parliamentary system, of course, Mr. Reagan would now be in the opposition, not in the White House.

America's history has seen a constantly shifting balance. The early Presidents dominated foreign policy, which faded in importance during the 19th century's preoccupation with domestic issues: slavery, the Civil War, the opening of the West.

In the 20th century, two world wars gave the executive branch a commanding role through most periods until the depths of the Vietnam War. Now, Mr. Schneider observed, we are seeing "a post-Vietnam syndrome in foreign policy-making." "Congress feels that it put a stop to the Vietnam War. In fact, it was more the press than Congress," he said. This emboldened Congress, he said, and has translated into current issues.

The arms dispute that was temporarily resolved last week focused on Mr. Reagan's passionate determination to reinterpret the 1972 Anti-Ballistic Missile Treaty with the Soviet Union so that it would not prohibit the development of a "Star Wars" space-based defense. Mr. Reagan is devoted to the notion of a space shield against incoming ballistic missiles, but the idea has thrown a monkey wrench into the talks with the Russians on reducing long-range, strategic nuclear weapons.

Moscow has insisted on what it calls strict observance of the ABM treaty and has made the abandonment of "Star Wars" a prerequisite for concluding a strategic arms accord. The issue promises to figure prominently in Mikhail S. Gorbachev's discussions with Mr. Reagan in Washington scheduled Dec. 7 to 10.

The Administration's loose interpretation of the treaty has been rejected not only by the Russians, but also by almost all of the treaty's American negotiators and by many of the senators who ratified the pact 15 years ago. As such, the confrontation threatened to take on broad constitutional dimensions, with Senator Sam Nunn, Democrat of Georgia, accusing the Administration of trying to manufacture a loophole that did not exist when the treaty was presented to the Senate for ratification.

'Star Wars' Testing

Stepping back from the edge of constitutional combat last week, the White House and Congressional leaders reached a compromise. Congress would approve the military budget and President Reagan would approve provisions in the legislation barring the use of next year's financing for any tests of components of a space defense that were not consistent with the restrictive interpretation of the treaty. This meant that the Pentagon would not be able to go ahead with plans to test such devices as space-based rockets, orbiting laser systems, mirrors in space to reflect ground-based lasers and electromagnetic rail guns.

Even though the restriction is only for a year and many of the tests would not have been ready to proceed that soon anyway, the ban may have a significance beyond its term. It will expire only in the waning months of this Administration, leaving President Reagan insufficient time to see his project into the development stage. It also sets a precedent and can be renewed.

On Central America, House Speaker Jim Wright stepped into a diplomatic vacuum created by what he called President Reagan's "ideological fixations," namely, the President's desire to continue military support for the Nicaraguan rebels even during the peace process.

Administration officials accused Mr. Wright of trying to usurp the executive's role in foreign policy-making by holding talks with President Daniel Ortega Saavedra of Nicaragua and Miguel Cardinal Obando y Bravo, the Nicaraguan Roman Catholic Primate, who has been selected to mediate cease-fire talks.

Ortega's End Run

President Ortega has so far foiled the Administration's skeptical predictions about Nicaraguan behavior by taking steps toward complying with the peace agreement signed Aug. 7 by the five Central American countries. But since Nicaragua is the one area of foreign policy where President Reagan seems immune to the counsel of Congress and some moderate advisers, President Ortega's end run has left the Administration standing helpless on the sidelines, unable to adjust quickly enough to events. Enter, Mr. Wright.

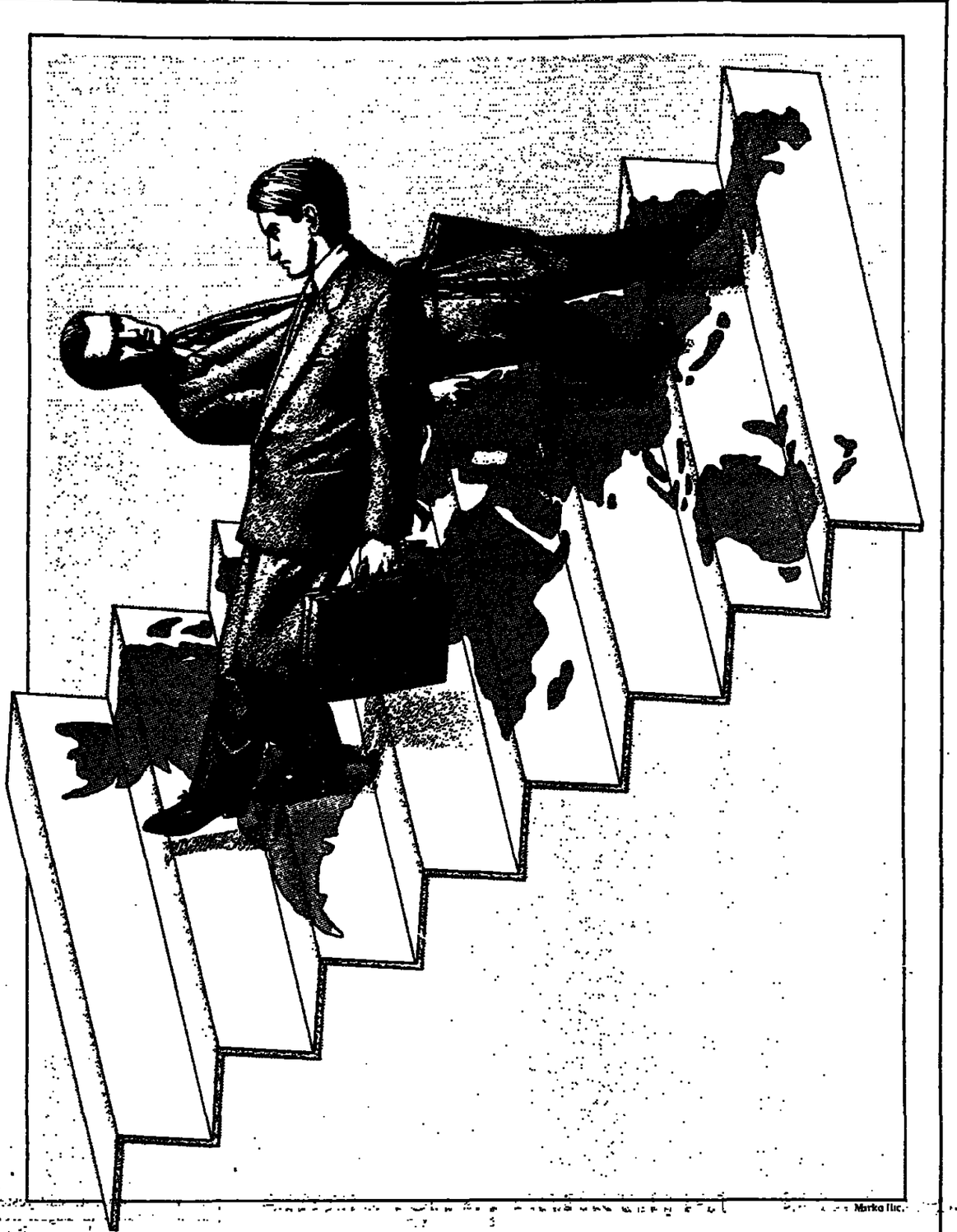
The result was a flurry of bitter denunciations between the Speaker and the White House. Mr. Wright called Mr. Reagan "a person with whom you can't seriously discuss serious issues." He told stories of meetings in which the President, taking cues from aides, seemed unable to listen to Congressional leaders' reasoning. "I don't have the feeling that even once, any of us have gotten through to him with any point of view other than the one he entered the meeting with," Mr. Wright declared.

All this took on a burlesque quality last week as Secretary of State George P. Shultz, seeking to quell the feud, found a mediator of his own — Robert S. Strauss, the former chairman of the Democratic National Committee — to help smooth a Shultz-Wright meeting at which the two agreed on a "peace plan" that endorsed the principles of conciliation and negotiation in Central America. *(Nicaraguan opposition is itself divided, page 2.)*

Finally, the Congressional committees issued their voluminous indictment of the White House scheme to sell arms secretly to Iran and use the profits for the Nicaraguan rebels. A majority found that a "cabal of zealots" had taken over in areas of foreign policy and that the President had forsaken his constitutional mandate to "take care that the laws be faithfully executed." *(Impact of the report, page 4.)*

But the attempt to avoid the system's checks and balances ultimately failed. The secret policy fell far short of its goals, it was exposed, it caused dismissals and resignations and may result in criminal indictments of some of those who were responsible.

"We're going through a self-cleansing process," said Rep. Lee H. Hamilton, the Indiana Democrat who was chairman of the House committee. "It's not a tidy process."



Marka Illc.

Yeltsin Self-Criticism Evokes Ghosts of the Stalinist Past

Winter and Repentance Descend Upon Moscow Again

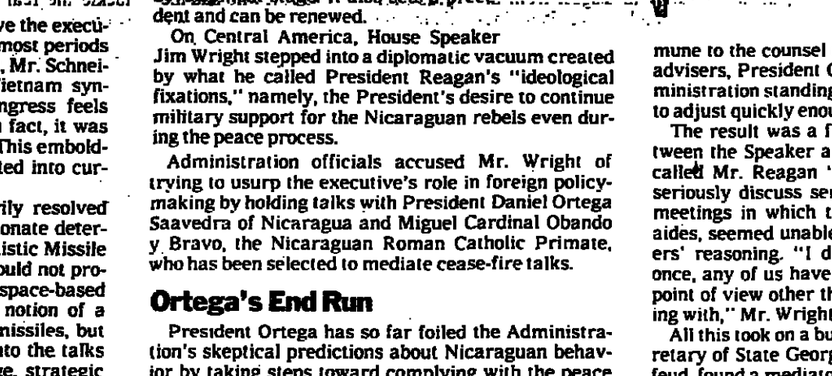
By FRANCIS X. CLINES

Moscow

A VISITOR who never really expected shades of Dostoyevsky's creatures to loom amid the slanting snow is surprised to sense Koestler's Rubashov — a more likely ghost in the city these days. This was the fictitious character of "Darkness at Noon" modeled on Bukharin, who was expelled from the Party in 1937 and executed the next year, the doomed star of Stalin's infamous purge trials and one of the more articulate Bolsheviks, who finally received a few words of rehabilitation last month from Mikhail S. Gorbachev, the current Soviet leader. They came decades after Bukharin's demise in the "absolutely black vacuity" of fate he anticipated, his execution and official ignominy.

The words were studied as if as vivid as Cézanne's still-life apples over in the Pushkin Museum that serve to curse the city's grayness lately. But the summoning of Bukharin's ghost proved risky, since it was followed two weeks ago by the ouster from Mr. Gorbachev's ruling inner sanctum of Boris N. Yeltsin, the Moscow party chief who was outspoken in prodding the leadership to accelerate reform.

Angry Muscovites heard an echo of the great show trial of 50 years ago when Bukharin confessed his guilt, just as Mr. Yeltsin finally did after group denunciation. Koestler's Rubashov was an attempt to explain the confessional impulse in Bukharin. The case of Mr. Yeltsin, whose fate is merely the grayer vacuity of political demotion, not death, shows that this confessional impulse, which so puzzles the West, is still a mainstay of the art of losing in Soviet politics.



Soyuzphoto

The 'Antagonist': Nikolai Bukharin, center, at a gathering of Young Pioneers in Moscow in 1932, six years before he died in a Stalinist purge.

The purge trial transcript suggests that Bukharin himself, who artfully dissented even as he confessed, may have outdone Koestler's Rubashov in speculations on this impulse when he described it from the dock as a "peculiar duality of mind" expressed in repentance. He dismissed the notion that this might be some dark property of the Russian soul. "The psychology of Dostoyevsky characters is a thing of the remote past in our country, the pluperfect tense," Bukharin insisted. Rather, he said, the "personal incrustation" of rancor and pride falls away and confession follows when the "antagonist" politician confronts the "objective grandeur of socialist construction." This is unlike anything known to Westerners, he said, because "it disintegrated its enemies from within." Just so did Boris Yeltsin seem to yield.

Ordinary Moscow citizens seemed more colorfully innocent in their political life last weekend, when they gathered several thousand strong in an auditorium, seeking to hear some candid views. Most winning was the earnestness with which they approached the openness promised in the glasnost policy as they repeatedly asked, with an almost middle-class politeness, for more information about the Yeltsin affair. None was forthcoming, although days later the Government spokesman felt comfortable enough to smile about it. "Things didn't work out," he said. "You remember the monologue of Brutus on why he killed Caesar — because he was ambitious."

"This isn't the first winter this wolf has seen," one citizen said darkly, describing his personal cynicism about Government explanations even as the Government was preparing to shift the civic emphasis to the summit meeting that is to begin in Washington on Dec. 7. There has been little overt summit hoopla thus far. But on the streets of the city can be seen the near still lifes this country is famous for — the long lines of resolute consumers waiting in freezing cold for scarce foodstuffs. Their wintry silhouettes present a kind of summit reminder of the presumed Gorbachev goal of making disarmament agreements to afford a guns-to-butter shift and shorten the lines. As citizens hunker, no consumer optimism is evident.

Night Train Incident

But it turns out the city is not devoid of a retail cornucopia. There is the indoor Central Market, where the apples are bright and fresh as Cézanne's and cost $18 a dozen, where a fresh melon costs $28 and an optimist can sport a red carnation for $1.60.

There are no long lines at the colorful tables of handsome produce and butchered animals, for these are the food stalls of rare private entrepreneurs awaiting the even rarer consumer with enough money to pay for the highest quality. It is simple fun to get lost in such sights, though that can prove difficult. An American visitor so engrossed who wandered through a wrong station entrance for the Leningrad night train was instantly intercepted and suddenly addressed full name by an apparent stranger who had been watching and who instructed, "You want that door, not this one."

Such eye-on-the-sparrow powers of state were reminiscent of the interrupted enthusiasm the other night when the Peabody Conservatory orchestra arrived from Baltimore with a program of American music that left the Soviet audience cheering the Copland and Bernstein resounding in the Hall of Columns.

In the intermission small talk, a diplomat recalled that the ornate hall near the Kremlin had been the scene of the great Bukharin show trial. "Stalin was said to have watched back up there in the balcony," the diplomat said, and heads turned as if to peer back through time. "The smoke from his pipe was all that was visible."

No Major Cuts

Bringing Forth a Deficit 'Mouse'

4

The World

The Door Is Opened, but Sandinistas Keep the Keys

By STEPHEN KINZER

MANAGUA, Nicaragua

THE former President of Venezuela, Luis Herrera Campins, came to Managua recently on an important mission. As a leader in the worldwide Christian Democratic movement, he had been asked to mediate between contending factions in the Social Christian Party, which is one of many opposition groups trying to wrest power from the Sandinista Government. He quickly accomplished his task, persuading the factions to make peace. But not long after he left the country, the hostilities broke out anew. Last week, one faction seized the party headquarters in Managua and prevented its adversaries from entering.

The outbreak of internecine warfare in the Social Christian Party and in other Nicaraguan opposition groups has been one of the consequences of the Aug. 7 regional peace accord. The agreement requires the Sandinistas to allow their opponents greater freedom. Yet they are so consumed by ideological disputes and personal and family rivalries that they often fight more vigorously among themselves than against the Sandinistas.

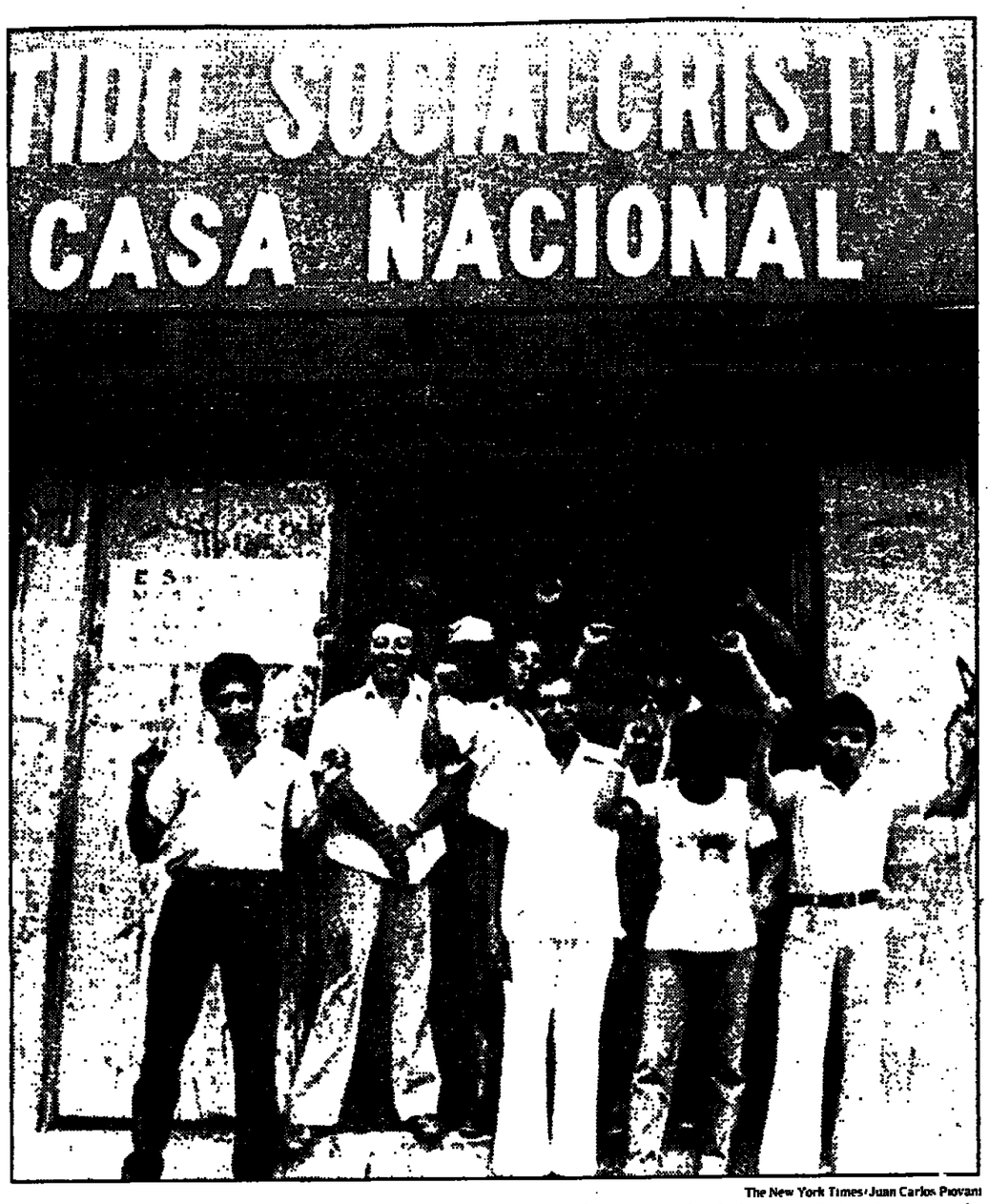
In contrast to the divided opposition, President Daniel Ortega Saavedra last week sounded statesmanlike and in control after returning to Managua from a trip to Washington, where he met with Congressional leaders. Reversing half a decade of Sandinista rhetoric, Mr. Ortega said there was room even for the contra rebels in Nicaraguan politics. "In the Guatemala agreement, we decided to give armed groups the opportunity to participate in the political life of this country," he said.

In many ways, the Sandinistas can afford to be generous. Although La Prensa, the main opposition paper, has been allowed to reopen and opposition groups are allowed to organize, the Government continues to control most of the levers of political life, including the exclusive right to take public opinion polls.

The Social Christian split followed the splintering of the country's two traditional parties, a process that has been going on for years. At least four factions of the Conservative Party, not counting those in exile that sympathetize with the contras, are fighting one another; the Liberal Party is also divided. The infighting has reached such levels that the Roman Catholic Primate, Miguel Cardinal Obando y Bravo, who is revered by anti-Sandinista groups, earlier this month called on them to "stop bickering and splitting apart." The Cardinal's mass was broadcast live over the Catholic radio station, but the station is still not permitted to air news programs.

The Government believes that the squabbling among the opposition groups is making them less appealing to the public. The most coherent anti-Sandinista platform in Nicaragua comes not from any political party, but from the Superior Council of Private Enterprise, which unabashedly calls for repeal of revolutionary measures, close ties to the United States and a return to capitalism. The council includes hundreds of businessmen, farmers and others who oppose the Government but for various reasons have decided to remain in Nicaragua.

Although the Government has encouraged opposition, the more divisive the better, Mr. Ortega said that all "political space" will evaporate and that La Prensa will be closed again if the United States Congress approves a Reagan Administration request for $270 million in new aid for the contra rebels. Cristiana Chamorro Barrios, an editor of La Prensa, which is run by her mother, Violeta, complained to Mr. Ortega at a news conference last week that such threats were undemocratic. "What do we Nicaraguans have to do with the decisions of a foreign congress?" she asked. "It's not up to La Prensa to decide about the $270 million." Mr. Ortega responded, and the two became engaged in debate. "Is it going to be the United States that decides whether there is democracy in Nicaragua?" Mr. Ortega asked.



The New York Times/Juan Carlos Piovani

Members of a faction of Nicaragua's Social Christian Party after they seized the party's headquarters in Managua and barred their rivals from entering.

Opinion Polls Are Illegal

Mr. Ortega has said the Sandinistas have nothing to fear from an unshackled opposition. His critics disagree. "In a free election, they lose without a doubt," said Ramiro Gurdián, a leader of the private enterprise council.

It is difficult to judge who is closer to the truth, because public opinion polling has been illegal in Nicaragua since soon after the 1979 Sandinista takeover. The Government regularly conducts polls and studies them carefully, but no one else is allowed to do so. President Oscar Arias Sánchez of Costa Rica, author of the peace accord, recently suggested that Mr. Ortega allow an independent opinion survey in Nicaragua. "The answer was a flat no," said Carlos Denton, head of the Costa Rican affiliate of the Gallup Research Organization.

Pre-election polling is only one of the Sandinistas' advantages. They control everything from the country's only television network to the rationing system through which certain groups of workers are given access to low-cost food and other goods. The Government can give thousands of public employees time off from work for pro-Sandinista demonstrations, and use official trucks and buses to transport as many people as they please. "Without the use of public resources, no party could put more than 30,000 or 40,000 people on the streets," said Mauricio Díaz Dávila, an opposition leader.

These inequities are becoming more important because of the prospect of elections here in 1988. Nicaragua must elect its 10 representatives to the Central American Parliament created under the peace accord, and the Sandinistas have also promised municipal elections. Carlos Núñez Téllez, president of the National Assembly, said last week that the Government is willing to consider demands for electoral reform. But opposition groups do not know whether to jump into the electoral fray or to hold out for further concessions. The feud splitting the Social Christian Party, some politicians said, is at root a conflict between one group eager to participate in elections and another that is more reluctant.

Nicaraguan history is filled with violence, and no government has ever given up power without fighting. "The absurdity of politics in this country is that thousands of young people have to die every generation in order to make a change in the social order," said Emilio Alvarez Montalván, a Conservative Party leader. "We are desperate to see if there can be another way."

Hidden Trade

South Africa Looks East, And Extends Its Markets

By JOHN D. BATTERSBY

JOHANNESBURG

ALTHOUGH trade with its customary partners is slackening under pressure from economic sanctions, South Africa has managed an overall gain in commerce so far this year, the Government reports. Experts here say that the country's recent 45 percent drop in exports to the United States, which was its largest trading partner, has been offset by trade with other nations, particularly in Asia. "Trade with countries like Taiwan has been boosted very much by the political isolation of South Africa," said John Barratt, director of the South African Institute of International Relations, a research organization.

A crucial factor, say private analysts who advise South African exporters, is the success in developing clandestine links. Some have estimated that more than half of South Africa's Asian trade is with countries that do not have diplomatic relations with the white-minority Government.

Japan is South Africa's new No. 1 trading partner, followed by West Germany, Britain and the United States, according to the Organization for Economic Cooperation and Development in Paris. But Japanese and Western European trade has been declining, although not at the rate that American commerce has. Japan has followed the United States and Europe in imposing various sanctions.

In any case, Pretoria's trade is flourishing with newly industrialized and developing countries such as Taiwan, and clandestinely with businesses in South Korea and Singapore, private research groups here say. The largest increase is with Taiwan, which imports minerals and agricultural products and exports electronics and machine tools among other goods and services. Projected trade with Taiwan for 1987 is $1 billion, an increase of more than 100 percent over 1986, according to the South African Embassy in Taipei. Singapore allows exports to South Africa but, as a member of the Association of Southeast Asian Nations, bans imports. Western diplomats and electronics industry sources say there are also indications of South African trade links in the five other Asian nations — Thailand, Brunei, Malaysia, the Philippines and Indonesia — which do not have diplomatic relations with Pretoria.

According to statistics of the South African Foreign Trade Organization, a private group that advises South African companies, exports to Asia soared from 19 percent of total shipments in 1980 to 31 percent this year. Asian imports, mainly electronic goods, have also risen sharply. Overall, trade increased from $22.8 billion last year to $23 billion for the first eight months of 1987, the Government reported. More than 50 percent of exports were listed under the category "other unclassified goods and balance of payments adjustments."

South African analysts say that businesses in Hong Kong play a role as a conduit for Asian trade. In addition, they maintain that operations in Taiwan, which maintains diplomatic relations with Pretoria, conceal the origin of South African minerals and agricultural goods bound for other countries and that Singapore businesses serve as a conduit for electronics and machine tools bound for South Africa.

In addition, the analysts say that clandestine trade, often conducted through intermediaries, goes on with several black African nations, Rumania, Hungary, Sri Lanka, several Arab states and Chile among other nations. Last week, a United Nations report accused Saudi Arabia and the United Arab Emirates of selling oil to South Africa. On Friday, the United Nations approved a resolution calling on Israel, which recently introduced some restrictions on South African business, to sever its ties, but the measure was sharply toned down from versions approved in previous years.

Several experts, such as David Graham, general manager of the international division of the South African Foreign Trade Organization, foresee greater trade with some of Pretoria's enemies. Commerce with other African nations has increased from 5 percent of total trade in 1985 to 8 percent. South Africa is already the major trading partner of all southern African countries except Angola. Zimbabwe alone accounted for two-thirds of Pretoria's estimated $1.5 billion a year trade with Africa.

In the last two years, Pretoria has stopped releasing detailed trade statistics. Gold sales, which account for more than 40 percent of trade, are not disclosed. Nor are arms sales. Piet Marais, chairman of Armscor, the public corporation that oversees arms production, said that South Africa sends arms to 30 countries.

Despite the rise in Asian trade, Dr. Karl Magyar, lecturer in international relations at Witwatersrand University, said Pretoria still tended to cling to Western countries like Britain. "Pretoria is still looking at Maggie Thatcher to hold the day, but she won't do it for very much longer," Dr. Magyar said. Some experts disagree. Said Professor Barratt of the South African Institute for International Relations, "The West will remain a major factor for trade and investment, although relations blow hot and cold periodically."



The New York Times/Mark Peters

Japanese minibuses are used as taxis to and from black townships near Johannesburg.

She Is Now Writing Prescriptions for Germany and Japan

Thatcher Dispenses Economic Advice for All

By HOWELL RAINES

LONDON

WHEN Margaret Thatcher's advisers are asked about her international role, they modestly assert that she realizes the limitations of a "second-rate power" as a platform for world leadership. But whenever Mrs. Thatcher speaks for herself it is always in the voice of a woman who, in her heart of hearts, thinks of herself as the senior guardian of Western interests. Now, with Europeans increasingly convinced that the Reagan Presidency is a spent force, Britain is going through one of those periods when the tight little island seems too small for its Prime Minister.

For several weeks, Mrs. Thatcher has been beaming economic advice to the United States. Monday night, in her annual speech to the Lord Mayor's banquet, she added Bonn and Tokyo to her list, reminding them that they had "special responsibilities," too, in restoring balance in the world economy. As the week ended, she was in the House of Commons, issuing a final reminder to her old friend, President Reagan, that "there must be some cuts in the United States deficit" by the Gramm-Rudman deadline on Friday.



Picture Group: Reflex/Piers Cavendish

Prime Minister Margaret Thatcher

Political self-interest is one reason for Mrs. Thatcher's carefully orchestrated series of statements on international economic issues. "Particularly because of privatization, the Thatcher Government is tied to the markets," said Nicholas Knight, a director of James Capel and Company, a London brokerage house. "So she is trying to do whatever she can to make sure the markets don't collapse." But what Mrs. Thatcher calls her "right and duty" to make Britain's voice heard internationally is also a factor.

"Having conquered the British political scene, she wants to conquer the European political scene," said Robert M. Worcester of the MORI polling organization. The economic crisis handed her an issue that is a suitable vehicle for these aspirations to greater prominence. Now, five months into her third term, Mrs. Thatcher seems bent on making her mark in the role of prescription writer for the world's economic ills.

While British politicians and commentators are used to Mrs. Thatcher's assertiveness, they seem a little amazed these days that world leaders so often seem to swallow her advice without a whimper. According to a European diplomat here, the reaction has to do with respect for Mrs. Thatcher's string of three landslide victories at home and with the feeling that she is the allies' most influential voice in Washington. "There is no doubt that she has a lot of clout. She did sound bossy, but she sounded bossy beforehand," the diplomat said. "She was very much like a school teacher in the speech on Monday. It's certainly shared in many circles in Europe that with her record of good elections behind her she is probably the strongest person who could speak to Ronald Reagan and one of the few he would listen to."

In the beginning, Mrs. Thatcher's carefully orchestrated campaign to be heard on the economic crisis focused exclusively on the United States. She and her chief surrogate on economic matters, Chancellor of the Exchequer Nigel Lawson, alternately cajoled and needled President Reagan. Their message was that the United States had to reduce its fiscal deficit by cutting spending and raising taxes as a first essential step toward restoring confidence in the markets.

Last week, she broadened her economic prescription writing to include Germany and Japan, saying they must assume responsibility by stimulating growth and buying more imports. By including Japan and Germany in her criticisms, Mrs. Thatcher may have been trying to ease tensions aroused when a good cop-bad cop routine aimed at Mr. Reagan got out of hand. While convinced that Mr. Reagan would have to take the bitter pill of increased taxes, Mrs. Thatcher said so in sugar-coated language. Mr. Lawson made the same point in a strident speech questioning whether the Administration had the "political will" to reduce the deficit.

American officials here felt that Mr. Lawson's speech amounted to "a semi-hysterical thrusting of the finger." Thereafter, a Thatcher aide said, the Prime Minister moved to patch things up with a message to Mr. Reagan that she was "not carping or attacking," but trying to help. There is an ambivalent tone when British officials discuss the Reagan-Thatcher relationship these days. Thatcher aides are confronted at every turn with questions about whether Mrs. Thatcher can surpass the beleaguered President in influence, even allowing for the disparity between American and British might.

"We don't propose at this delicate time to undermine the President at all," one official said in turning aside such a question. "I don't think talk of her being leader of the Western World is either helpful or relevant."

Such responses often seem to carry an unstated suggestion, not unlike the unstated ambitions that seem inherent in Mrs. Thatcher's long-distance economic advisories. That suggestion is that in a different world — indeed, in a world that existed at the start of this century — a British prime minister at the height of her powers would have more influence than an American President whose time and luck seem to be running out.

For Many, a Candidate's Birthplace Is More Important Than His Views



Associated Press, Reuters

When South Korean presidential candidate Kim Dae Jung staged a rally near the home base of his rival, Kim Young Sam, their supporters clashed; Kim Young Sam at a Kwangju rally, before protesters disrupted it.

South Korea's Rivalries Are Provincial as Well as Political

By CLYDE HABERMAN

SEOUL, South Korea

THE people of Kyonggi Province, which surrounds Seoul, are said to be cultured, but also vain. In North and South Cholla Provinces, in the southwestern part of the country, they are supposed to be untrustworthy. Over in North and South Kyongsang Provinces, to the southeast, folks have a reputation for hot tempers.

These stereotypes have been passed on for generations; and, no matter how valid or invalid they may be, their durability reflects sectional antagonisms that shape South Korean political and social thought to a significant extent. Lately, regionalism has surfaced in nasty fashion, adding a new element of uncertainty to the monthlong presidential campaign that formally got under way last week.

The problem was demonstrated graphically last weekend when one of the major opposition candidates, Kim Young Sam, tried to address a rally in Kwangju, the South Cholla provincial capital. Mr. Kim is originally from adjacent South Kyongsang province, and South Cholla is a political stronghold of a fellow opposition figure who has become an archrival, Kim Dae Jung. Before Kim Young Sam could really get started, hundreds of spectators shouting the name of Kim Dae Jung charged the speakers' stand, hurling stones and bottles. A few people were hurt, and Kim Young Sam was hustled out of town by his aides.

The next day, Kim Dae Jung took his campaign to Taegu, in North Kyongsang, which is close to the other Kim's base and is also the family home of Roh Tae Woo, the Government party candidate. This time, it was Kim Dae Jung's turn to be pelted. Mr. Roh, too, has had to endure barrages at some of his stops.

The stonings prompted the national police to assign extra guards to the candidates, and produced warnings from President Chun Doo Hwan (of North Kyongsang) that further attacks could threaten the Dec. 16 election, a historic undertaking for South Korea. It will be the first genuine vote for president in 16 years, a bonanza that few would have believed possible as recently as five months ago.

With or without more violence, geographic schisms are not about to end soon. To many foreigners, South Korean politics shapes up as battle between an authoritarian Government and splintered opposition forces seeking power but also democratic advances. On one level, that is true. But also true is that many Koreans will mark their ballots with an eye toward where the candidates live.

Among South Korea's eight provinces, the bitterness is most intense between the two Chollas and two Kyongsangs, which are neighbors but which fight like Hatfields and McCoys. The rivalries are ancient. But they became poisonous in this century, first under Japanese colonial rule, deepening after the 1950-53 Korean War as the country came under the control of a succession of North Kyongsang men.

Cholla Resentments

Again and again, Cholla people, especially in the southern province, felt they were getting the short end of the stick. The late Park Chung Hee, who was president from 1961 to 1979, deepened resentments by pouring new industries into his native Kyongsang, leaving Cholla a neglected, relatively backward agricultural enclave. For Cholla, animosity flared anew after Mr. Chun's soldiers massacred Kwangju citizens in 1980, leaving nearly 200 dead by official count. According to some people who were there, the real figure is closer to 2,000. Either way, Cholla remembers, and hates.

Its loyalty is overwhelmingly given to Kim Dae Jung, who shares and amplifies the resentments, having been deprived of his civil liberties and nearly his life by both the Park and Chun regimes. Mr. Kim's critics accuse him of playing on regional differences, a charge that he rejects as a Government ploy to portray him as a divisive force. Nevertheless, after he speaks at rallies, in his unmistakable Cholla accent, Cholla people go home talking about how it is time they had a turn at the helm.

And when Kyongsang residents hear that — other Koreans, too, for that matter — they get edgy, and talk about voting against this Cholla man no matter what. Political analysts say that if Kim Young Sam were to drop out of the race, many of his Kyongsang supporters would probably support not Kim Dae Jung, his ideological soulmate, but rather Mr. Roh, who may represent an unpopular Government but who at least comes from Kyongsang. This tradition of antagonism is carried on even by Koreans who left Cholla and Kyongsang long ago to work elsewhere. They extend to younger generations as well.

An important test of regionalism's explosive potential may come this weekend when Kim Young Sam tries his luck in Cholla again, this time the northern province. After his Kwangju debacle last weekend, he went to Masan, in his home province, and told a crowd that if Kim Dae Jung ever showed up they should welcome him warmly. "But if you don't like him, don't come to his rally and don't obstruct his rally," he said. "You make the Kwangju people ashamed of themselves." In Cholla, that kind of talk did not go down well one bit.

Conversations in Pyongyang

North Korea Floats a Revolutionary Ideology: Realism

By SELIG S. HARRISON

PYONGYANG, North Korea

NORTH KOREA has lost faith in its ability to reunify Korea under Communist rule and is prepared to negotiate peace with South Korea and the United States following next month's presidential election in the South. This was my conclusion after 10 days of conversations in Pyongyang last month with a variety of North Korean leaders, including Prime Minister Li Gun Mo, Foreign Minister Kim Yong Nam and Hwang Chang Yop, the powerful secretary of the Workers' (Communist) Party Central Committee responsible for foreign policy. Economic pressures appear to be compelling North Korea to pursue two closely related priorities: a reduction of military spending through an accommodation with Seoul and Washington, and a rapid influx of advanced industrial technology, facilitated by a China-style economic opening to the West.

Underlying both of these policy departures is a new note of realism in the North's perceptions of the South. Officials no longer discount the South's economic growth, as they did during an earlier visit in 1972, nor do they equate opposition to military rule in Seoul with potential political support for the North.

Asked whether the upsurge in opposition strength in South Korea this year foreshadowed a shift to the left and an eventual Communist revolution, Hwang Chang Yop replied: "Such a thing is quite impossible, completely out of the question. Nearly 40 years have passed since the Korean War, and we recognize that many changes have occurred in South Korea. The opposition parties are not geared to changing the social and economic system in the South. If they are successful, it would not be a revolution, unless you would regard a democratic regime less beholden to the United States as a revolution."

The economic arithmetic of the Korean arms race may explain why the North wants to reduce its defense expenditures: the South, with a population of 42 million and an American military presence, devotes only 7 percent of its gross national product to defense, and pursues ever higher consumption levels, while the North, with 20 million people and no foreign troops, spends 24 percent of its gross national product on defense, at the expense of consumer goods production and other economic development needs.

Selig S. Harrison is a senior associate of the Carnegie Endowment for International Peace, and a former foreign correspondent. His visit to North Korea, from Sept. 23 to Oct. 2, which is something rarely permitted to American journalists, was made under the auspices of the Carnegie Endowment.



Black Star, Anthony Suau

North Korean soldiers on guard at Panmunjom in the zone between North and South Korea.

Seoul points to North Korea's defense spending level as evidence that Kim Il Sung still intends to reunify the peninsula by force. But North Korea insists that it is ready to cut its armed forces down to 100,000 if Seoul would join in a mutual forces reduction agreement linked to a parallel withdrawal of American conventional and nuclear forces.

In a recent proposal to South Korea and the United States for negotiations to be held next March, after the election, the North suggested that force reductions be completed within five years. Foreign Minister Kim said that the deadline is negotiable, and did not rule out 10 years, with American air and naval forces remaining longer than ground forces. Similarly, on verification and other key particulars, I found Pyongyang officials ready to compromise and to discuss details of how the agreement could operate. Prime Minister Li Gun Mo said that an arms reduction agreement "would relieve many of our economic problems by releasing manpower and funds needed for our civilian economy," adding that the Government wants to promote "a great upsurge" of consumer goods during the first four years of the new seven-year economic plan, but that "how much we can shift to light industries depends largely on how much we can reduce our defense burden."

'Very Flexible'

I found it much easier to have productive give-and-take with North Korean officials than 15 years ago. No subject was taboo, though there were flashes of anger and little enlightenment when I mentioned the health of 75-year-old Kim Il Sung, Kim Jong Il's ability to govern and the 1983 Rangoon bombing that killed 16 South Korean officials. On most issues, I found a readiness to go far beyond published positions and to respond directly to sharp challenges that would previously have produced a flood of predictable rhetoric.

For example, in its formal stand on the unification of Korea, Pyongyang advocates a federation. Autonomous regimes with differing systems would remain intact in North and South, but a "federal" government would have a combined army and a standing committee that would "supervise" the two "regional" governments. This would be a transitional step on the road to full unification, with "the people" deciding when, whether and how to change the structure. Not surprisingly, Seoul has dismissed this idea, arguing that Pyongyang would simply use interchange under such a system to promote subversion in the South. When I repeatedly criticized the North's proposal as unrealistic, Hwang Chang Yop and several other high Central Committee officials retreated from their prepared remarks. "You will find us very flexible," said Mr. Hwang, "if we are all going in the same direction, toward confederation, rather than toward legitimizing two Koreas." Pyongyang is ready to discuss "any other idea consistent with movement toward confederation, however gradual."

In the North's evolving concept, Mr. Hwang explained, federation is no longer a transitional stage but the "final stage" of unification, and there is no longer any provision for integrating the two differing social and economic systems. In principle, a combined army would be an ultimate goal, but "if we can improve relations between the two Koreas, then having two armies would be acceptable, especially if their size can be reduced." Mr. Hwang strongly implied that Pyongyang is prepared to go along with a creeping process of "cross-recognition" of the two Korean regimes by the major powers in the context of parallel movement toward a limited confederation.

"Cross-recognition" (American, Soviet and Chinese recognition of both North and South) is the stated goal of American policy. It has been rejected by the North. But Mr. Hwang hinted at a compromise when asked whether he would like to see formal American diplomatic relations with Pyongyang or would prefer, instead, to have the United States wait until it could have relations with a confederal republic. He replied that a liaison office would be appropriate after the signing of a peace treaty, and that full relations "might well" be possible when and if the United States agreed to a withdrawal of its forces and "expressed a favorable attitude toward confederation, even if it is not actually achieved."

Asked about the future of Pyongyang's security links with Moscow and Beijing, Foreign Minister Kim said that "there is nothing immutable in our undertakings, just as we hope that there is nothing immutable in the present form of your relations with the South." "We intend to strengthen and develop our relations with the United States in the days ahead," he said. "We want balanced relations with the major powers. This is in our interest, and yours." "Once we fought a war," he added, "but we cannot continuously maintain an abnormal relationship. The past is past."

The Nation

Iran-Contra Panels Find Fault, but Not in the System

By DAVID E. ROSENBAUM

WASHINGTON

In terms of evidence, the final report issued last week by the Congressional Iran-contra committees added little to the startling public testimony last spring and summer about the secret activities of the Reagan White House. But the committees' analysis of that evidence was devastating. The report spoke of "confusion and disarray at the highest levels of Government," of "pervasive dishonesty and inordinate secrecy," of "deception and disdain for the law."

President Reagan, the committees declared, abdicated his "moral and legal responsibility" to adhere to his Constitutional oath to "take care that the laws be faithfully executed."

Laws were clearly broken by the President's staff, the committees said. They said Mr. Reagan not only "created or at least tolerated an environment" for such wrongdoing, he also misled the public in his official statements about his subordinates' actions and "has yet to condemn their conduct." The special prosecutor, Lawrence E. Walsh, is expected to seek indictments against some principals in the affair soon.

When all was said and done, however, the report offered little in the way of recommendations to prevent such abuses in the future. The "important lesson to be learned," the report said, was that "the Iran-contra affair resulted from the failure of individuals to observe the law, not from deficiencies in existing law or in our system of governance."

The committees did propose several modest changes in procedures, most of them meant to avert situations similar to the Iran arms sales, which went on for a year without the knowledge of Congress. The panels recommended, for instance, that Congress be notified before the start of covert operations whenever feasible and in all cases within 48 hours of Presidential approval. They proposed that such approval always be in writing, that the National Security Council be barred from engaging in covert activities and that the national security adviser not be a military officer on active duty.

Presidential Moves

President Reagan has already moved in some of those directions. He has said, for example, that the National Security Council will no longer participate in secret operations and that Congress will be notified of such operations by other agencies within two days except in "exceptional circumstances." But he named Army Lieut. Gen. Colin L. Powell to be his security adviser.

Some recommendations were intended to remove obstacles the committees faced. For example, the lawmakers were frustrated by their inability to force Lieut. Col. Oliver L. North to testify without conditions and by their lack of power to get records of secret Swiss bank accounts. In the report, they suggested that contempt of Congress statutes be strengthened; and they proposed that Congress have authority to obtain certain foreign bank records.

In the past, Congressional inquiries have occasionally resulted in significant change in law. For example, the Senate Watergate committee's recommendations led directly to new campaign-spending laws, to the creation of the Federal Elections Commission to enforce those laws and to the establishment of procedures for appointing special prosecutors when Government officials were accused of wrongdoing.

But, as is often the case, the committees' report, despite the fact that it is remarkably thorough, is likely to be forgotten in the stacks of libraries. The televised hearings last spring and summer will remain an important part of American political drama and history.

Those hearings laid out for all America to see how United States policy in Iran and Nicaragua was set by a few members of the President's National Security Council and carried out by a secret band of private operatives who were unaccountable to the normal system of governmental checks and balances; how the small number of people who knew about those policies lied to Congress, to the President, to others in the Government and even to one another, so that no one knew all the facts, and how such officials as Colonel North, Rear Adm. John M. Poindexter and William J. Casey, the former Director of Central Intelligence, were willing to ignore the law when it became an impediment to their goals.

In the final report, the committees were unable to expand on some of the mysteries left unresolved by the hearings.

Some Frustration

They conceded they had no direct evidence President Reagan knew that money from the arms sales had been diverted to the coffers of the Nicaraguan rebels, but they implied that investigators might not have had all the evidence. They expressed frustration that Mr. Casey's death last May and their failure to locate any of his files meant they could not probe his role in the affair further. They were sharply critical of Attorney General Edwin Meese 3d but stopped short of accusing him of participating in a cover-up.

Nor did the report provide further insights into the personality of the star witness, Colonel North, which so mesmerized the country for a brief period last summer.

The best characterization of Colonel North came not in the report but in a retrospective interview last week with Arthur L. Liman, the chief counsel of the Senate committee, who is one of the most prominent securities lawyers in the country. "I have cross-examined and represented lots of bond salesmen in my life," Mr. Liman said.

"If Oliver North were on Wall Street, he would be the biggest producer of bonds ever," he said. "And then he would go broke, because he would buy everything he ever sold. Oliver North is a believer. He is a gifted salesman who believes in whatever product he is selling."

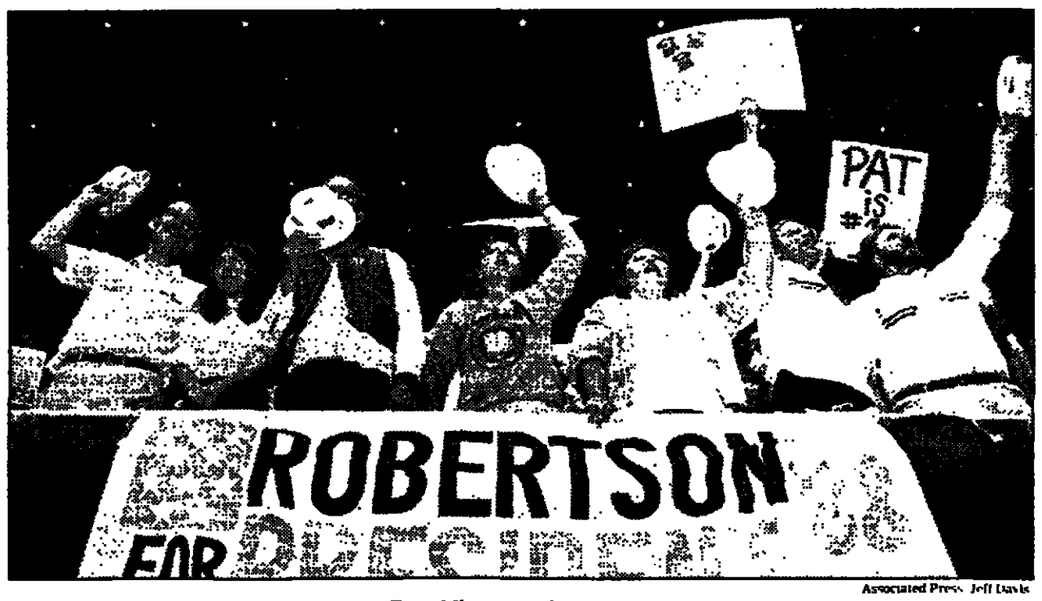


The New York Times/Paul Hosefros

Some members of Iran-contra committees are relaxed as they appear at a news conference to discuss their report on the scandal. From left: Senator Sam Nunn, Senator William S. Cohen, Representative Jack Brooks and Senators George J. Mitchell, Paul S. Sarbanes and Warren B. Rudman.

Religious Right Makes Several Strong Showings

G.O.P. Sees Signs of a Robertson Incursion



Associated Press/Jeff Davis

Supporters of Pat Robertson gather at a Republican rally in Ames, Iowa.

By WAYNE KING

Bob Dole's campaign chairman in Iowa, Steven Roberts, says that while Vice President Bush is still the major target, Dole forces are "real concerned" about Pat Robertson. John Buckley, who does public relations for Jack Kemp, says, "We have *always* taken Pat Robertson seriously." Lee Atwater, Mr. Bush's campaign manager, is more blunt: Anybody who doesn't take Mr. Robertson seriously, he says, "is crazy."

Their concern is a measure of the emergent political importance of the religious right. Exit polls indicate that 12 percent to 15 percent of Ronald Reagan's vote in two successive elections came from born-again Christians, and some analysts say Mr. Robertson might be able to count on even more.

In traditional terms, that is by no means enough to win the Republican nomination, let alone the Presidency. But Mr. Robertson is no traditional candidate, as he demonstrated in Michigan, where he matched or possibly outdid Mr. Bush in early contests to select delegates, embroiling state Republicans in acrimony; in Iowa, where he decisively won a straw poll earlier this year, and in Florida, where he came in a strong second last weekend in a straw vote that other candidates avoided, saying the rules favored Mr. Bush.

It is the zeal of Robertson supporters that makes him a political force to be reckoned with. Most of Mr. Robertson's supporters have had a personal religious experience and many, as Pentacostal or charismatic Christians, experience religion as ecstasy. Their commitment to Mr. Robertson is not political, it is religious; Americans for Robertson is as much a crusade as a campaign.

In numbers alone, Mr. Robertson's potential following is far from insignificant. Gallup polls in 1986 found that 33 percent of adults identified themselves as evangelical or born-again Christians, and a 1981 Market Opinion Research poll found 36 percent of respondents answered "yes" to the question, "Was there a specific time in your life when you made a special personal commitment to Christ that changed your life?" Such a commitment is the central element of born-again faith.

There is, of course, no guarantee that all or even most of these people will vote for Pat Robertson. Many, in fact, feel that religion and politics don't mix — a fact Mr. Robertson acknowledged when he gave up his ministry last month. Even those who argue that Christians should have a stronger voice in government don't necessarily support Mr. Robertson. The Rev. Jerry Falwell, for example, who as the founder of Moral Majority has probably done more than anyone else to bring Christians into politics, is a vocal supporter of George Bush and says Mr. Robertson can't win the nomination.

Mr. Robertson draws high negative ratings in national polls, not least because of the very beliefs that won him devoted supporters: As a minister, he practiced faith healing, described his performance of miracles, spoke in tongues and suggested that the end of the world and the Second Coming of Christ were close at hand.

In addition, it is axiomatic in politics that the more a candidate succeeds, the more his views and his past are exposed to scrutiny. Already, newspaper and magazine articles have examined Mr. Robertson's fund-raising tactics, rebutted claims on his political résumé and revealed that his first child was born 10 weeks after his wedding date.

Nevertheless, the Republican field has been carefully respectful of Mr. Robertson. Just as the Democrats are loath to criticize the Rev. Jesse Jackson for fear of alienating the black vote, which is crucial to any Democratic victory a year from now, Republican candidates fear a backlash from born-again voters.

Beyond fundamentalist fervor, Mr. Robertson's campaign has both political expertise and money — he has spent $11 million, more than any of his rivals. Mr. Robertson received 3.3 million signatures on petitions urging that he run, and those names are now in a computer, to be followed up by letters, phone calls, fund-raising appeals, and, eventually, with appeals to go to the polls in caucuses and primaries. In targeted precincts, volunteers are drumming up still more signatures; they are aiming for 7 million, which would produce enough votes, they think, to win the nomination.

Mr. Robertson's campaign manager is R. Marc Nuttle, who has managed or advised dozens of Republican House and Senate campaigns. Mr. Nuttle said in September that 38,000 Iowans signed petitions for Mr. Robertson, and field workers there say that figure is now much higher. The turnout in the Republican caucuses is likely to be about 100,000 people, so if all the petition signers turned out — even fervent Robertsonians concede that is unlikely, despite his elaborate phone bank there — he would place very well, or even win, in a six-way race.

The impact of his candidacy has struck fear into such liberal groups as People for the American Way, whose Action Fund is seeking contributions to "challenge the Religious Right and Pat Robertson's grab for ultimate political power," as a recent mailing puts it. The letter notes, "Already, the 'Pat Robertson for President' campaign has come much further than any 'political pros' ever thought it would."

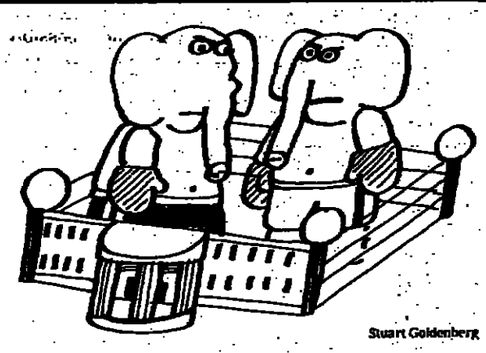
Stopping Mr. Robertson is also much on the minds of Republican candidates. The Bush forces, for example, are suing the campaigns of Mr. Robertson and Representative Jack F. Kemp in an attempt to have more Bush supporters selected as Michigan caucus delegates, and on Friday publicly accused Mr. Robertson and Mr. Kemp of conspiring to change state party rules to further their own ends. In the Florida straw poll last weekend, Mr. Bush won with the help of more than 1,000 party officials and contributors. Among the 1,438 other participants, who were chosen by county caucuses, Mr. Robertson actually won a majority of votes.

The only candidate thought to have any hope of winning over Mr. Robertson's supporters, since he shares Mr. Robertson's abhorrence of abortion and his fervent anticommunism, is Mr. Kemp. His strategists make no bones about their hope that Mr. Robertson will ultimately falter, after seriously damaging Mr. Bush or Mr. Dole or both, and that Mr. Kemp will pick up his support. But Pat Robertson, as he recently told Republicans in Minnesota, figures it will be the other way around.

Verbatim: A Proper Process

'There has been considerable criticism over the perceived excesses of the confirmation process; without in any way deprecating that criticism I think that in the United States, at any rate, we recognize that there is apt to be some inquiry by the Senate as well as by the President into what may be called the "judicial philosophy" of a nominee to our Court. . . . This has always seemed to me entirely consistent with our Constitution and serves as a way of reconciling *judicial independence with majority rule.*'

William H. Rehnquist
Chief Justice of the United States,
in a speech to the Columbia University School of Law.



Stuart Goldenberg

No Major Cuts

Bringing Forth A Deficit 'Mouse'

WASHINGTON

It was no grand design for Federal budget deficit reduction that was brought forth after four grueling weeks of top-level negotiations. It was, as some members of the team themselves dubbed it, a "mouse."

The bipartisan proposal, unveiled at the White House with Democratic and Republican leaders ringed around President Reagan in a show of solidarity, would reduce the 1988 deficit by raising taxes of $9 billion, cutting the Pentagon budget $5 billion and reducing nonmilitary spending $6.6 billion. User fees, with Federal asset sales and other one-time savings, would then be cobbled on to stretch the package of cuts to $30 billion.

No one was overjoyed by the outcome, but Senator Bob Packwood, Republican of Oregon, overdid it, perhaps, when he called the plan he helped fashion a "miserable little pittance."

If implemented over the next month, the plan would cut the deficit by $76 billion over two years and allow the Congress to undo $23 billion in automatic spending cuts that went into effect Friday under the Gramm-Rudman-Hollings balanced budget law.

Representative Charles E. Schumer, Democrat of Brooklyn, defined the problem this way. The compromise, he said "is about the best we can do when there is no real leadership and when you have to paste *things together.*" *House Speaker Jim Wright,* Democrat of Texas, put it another way. Asked why more could not be done by a Congress and a White House pushed to the table by last month's stock market crash, he said, "We didn't have enough heroes."

Which is not to say the 20 negotiators did not try to do more. But they could bring themselves only to the brink of limiting cost-of-living increases for Federal workers and retirees, including people on Social Security. The last effort died early in the week, when House Republicans were spooked into a break with the White House by Representative Trent Lott's opposition. Mr. Lott, a Mississippi Republican and a senior member of House Republican leadership, is running for the Senate next year.

Wall Street's verdict on the plan is still pending. Agreement was rumored but not announced until after the markets closed Friday.

The verdict of Congress is still out, too. Many legislators remain opposed to the compromise, some because they think the tax increases are too high, others because they consider the spending cuts too small, or the military reductions too great.

As they left for Thanksgiving break to rest up before the December drive to adjourn the 100th Congress's first session, the leaders of both parties shared the same hope. It was that their rank-and-file would discover on political cost-benefit analysis that the pain of automatic across-the-board cuts would prove greater than the pain of working through the compromise. JONATHAN FUERBRINGER

ART

When a Painting Brings Millions, It's Art for Hype's Sake

By JOHN RUSSELL

Now that record prices are set almost daily in the auction rooms, statisticians may find the idea of compiling a "Top 10" listing of prices irresistible; those who truly care about art will place such lists among the silliest and most misleading formulations of our time. "Those people had to be crazy," posterity will say. "What kind of a lopsided, nonsensical list is that? Was this really what people in the 1980's wanted most and rated most highly?"

Posterity will be right. There is something positively freaky about a list in which four out of the top 10 are by Vincent van Gogh, one is a landscape by Turner, one is a Cubist painting by Braque, one is an "Adoration" (not in ideal shape) by Mantegna, one is a charming but minor Manet, one is a minor Rembrandt and one is a 12th-century illuminated manuscript. If this were the definitive list of what moved us most in the mid-1980's, we could truly be rated as perverse.

[Among the most costly artworks sold at auction: Van Gogh's "Irises" (Sotheby's, $53.9 million); Van Gogh's "Sunflowers" (Christie's London, $39.9 million); Van Gogh's "Bridge of Trinquetaille" (Christie's London, $20.2 million); The Gospels of Henry the Lion (Sotheby's London, $11.9 million); Mantegna's "Adoration of the Magi" (Christie's London, $10.4 million); Manet's "Rue Mosnier With Street Pavers" (Christie's London, $11 million); Rembrandt's "Portrait of a Young Girl Wearing a Gold-Trimmed Cloak" (Sotheby's London, $10.3 million); Turner's "Seascape: Folkestone" (Sotheby's London, $10 million); Van Gogh's "Landscape With Rising Sun" (Sotheby's London, $9.9 million; and Braque's "Woman Reading" (Sotheby's London, $9.5 million).]

Van Gogh's "Irises," which fetched $53.9 million at Sotheby's on the evening of Nov. 11, is a very beautiful painting. People like to think that van Gogh was not admired in his lifetime, but the truth is that "Irises" made quite a stir when it was first shown in Paris in September 1889. Singled out by Félix Fénéon, the most inspired critic of the day, it was talked about, written about and dreamed about.

Even so, $53.9 million is a sum of money that we have trouble even picturing, let alone laying our hands on. Given that "Irises" is by no means in the top rank of European paintings, what are we to do if every painting of its class is going to cost more than $50 million? Will our collectors be balked at every turn, our museums stagnate and the art market come to a shuddering halt? Or is this a freak price, born of a strange moment in economic history and not to be taken as a waymark from which there is no retreat?

These questions are the more bothersome in that they have never before presented themselves in anything like the same way. When in 1875 Louisine Havemeyer began buying the French Impressionist paintings that are now the core of the André Meyer Gallery at the Metropolitan Museum, the price was the price and there were no surprises. In the 1920's when Samuel Courtauld gave the Tate Gallery in London £50,000 to buy French paintings he knew that it would go a long way — and it did, with Seurat's great "Bathers" and one of van Gogh's better "Sunflowers" just for starters.

This was a now-vanished world in which auction sales could be bad news, not big news. In 1875, when some of the French Impressionists were desperate for money and put their work up for auction in Paris, people came to jeer, not to buy. Fighting broke out. The police had to be called in. Almost nothing was sold.

The art world as we now know it is completely, unaccountably and perilously different. It is as if a tier of the art market had detached itself from the rest and blasted off into an upper atmosphere in which only a small handful of individuals can stay alive. Whirling in a crazed orbit that makes up its rules as it goes along, this detached tier is about as welcome as a detached retina to collectors of more limited means and museums that would have trouble raising even a tenth of the price of the "Irises."

For the rest of the art world, the only hope is that the rivals who bid up the "Irises" will carry on like duelists in the far blue yonder, leaving the rest of us to remember that even today very beautiful works of art can be bought for a price that is not completely out of line with all previous figures.

For what it may be worth, this observer's opinion is that collecting will continue, that museums will not stagnate and that the art market will go on much as before, though with some possibly drastic regrouping. The figure of $53.9 million is certainly one that we should view with disquiet, but that disquiet should not turn into panic.

The top 10 list is simply what it says it is — a list of the 10 most expensive works of art that have been sold at auction in the last few years. Those few years have been a time of extreme instability, in which sums of money previously undreamed of have been shunted back and forth, in and out of sight, in ways that bode no good.

As for the works of art on the list, they were not the best, but the most expensive — the ones that fetched most in the overheated psycho-sexual atmosphere of an auction room when there was a lot of giddy money around and no one could think of a better place to put it. There is no rationale to that list, except greed, fear and vanity.



Van Gogh's "Irises" in a Sotheby's strongroom after its sale for $53.9 million.

Nor is it a list of the 10 most expensive works of art ever sold, period. There is, as a matter of fact, no way to compare the prices paid in pre-industrial times with those paid today. We do not have, and are never likely to have, anything like a complete accounting of what was paid, in real terms, for works bought and sold privately down the ages.

All that we can say is that prices in general were stable at some times and unstable at others and that, needless to say, the rating of almost every individual artist went up and down, often with an air of volatility. Beyond that, everyone is entitled to his opinion, though not every opinion carries weight.

Contrary to what is often supposed, the great majority of sales of works of art are still conducted in private. Prices for sales of that sort are rarely disclosed. Naturally, it suits the auction houses to have the public believe that sales at auction are the only ones that matter. There are "collectors" whose ego compels them to bid and buy at auction, where all present can see and admire them. But there are major collectors who have never been seen at auction, and never will be.

This is the fallacy behind the top 10 list. It applies to a conspicuous but limited section of the art market, and to that section only. Many great works of art still change hands, unhurriedly and in conditions of confidentiality, as a result of private negotiation. Where great works of art are destined for a national museum, it may well be that money "up front" will play no part in the transfer.

If the National Gallery in London has an enviable record of recent acquisitions, it is not always because the gallery writes a check and the Government stands behind it. It is because great works of art can now be handed over in lieu of estate duty, just as in Paris the Picasso Museum was built, in the same way, with works of art chosen from the estate.

So this observer is not disposed to think that the end of the world is at hand because one or two people have paid very high prices in the atmosphere — half carnival, half casino — of auction rooms in the late 1980's. It is true that some of those prices were completely out of line with anything that had happened before, but in how many other departments of life is that not true?

It is also true that a colossal price has a way of making all other prices drift upwards, sometimes to fall back, sometimes not. But then prices for art have been drifting upwards for 30 years, thanks in part to a steady, progressive flight from money, but also to a new sense of the urgency, the immediacy and the irreplaceability of art. It has got around that art is the true thing, the enduring thing, the stable thing.

"We have to have it," people say to themselves, under the influence of what is called in German *Torschlusspanik*, the terror of the closing door, and it is of course fundamental to the auction experience that we suddenly feel that we cannot live without the object in question.

■

When tempted to give in to depression at the thought of the loud applause that greets what is, in effect, a definitive loss of faith in money, this critic consoles himself with the evidence of reason and stability that can be found in museum reports from all over. Just this week, for instance, the mailman brought in "A Bountiful Decade: Selected Acquisitions 1977-1987" from the Nelson-Atkins Museum of Art in Kansas City, Mo.

"Can this be stagnation?" I asked myself. "Is this the portrait of a decade in which museums are in decline?" Looking at the glorious portrait by Madame Vigée-Lebrun of the Duchesse de Caderousse, at the examples of Oriental art that continue the great tradition established in the museum by Laurence Sickman, curator emeritus, and admiring the famous portrait of Monsignor Turner by Thomas Eakins, I did not see too much to worry about.

What is of value to our society, in this context, is not the sensational price of this or that, but the continuity of collecting, the readiness of collectors to have their community in mind, and an awareness of the enormous pleasure that can be had from works of art that even now do not involve a lot of supernumerary noughts. That kind of collecting can still be carried on in private. It doesn't get written up. But it has a quality of shared feeling that we cannot afford to lose. Art has a life of its own — its real and true life — and buying and selling have nothing to do with it.

Brick By Brick, A Polish Company Rebuilds the Past

By JOHN TAGLIABUE

Bricklayers clambering over spare wooden scaffolds were setting large Gothic-style brick. Nearby, dusty plasterers worked on graceful cornices in the antechamber of a chapel where only weeks earlier magnificent frescoes of four slightly plump, rather stern ladies had emerged. Their restorers concluded they must have been allegorical representations of some of the cardinal virtues. The restoration project in progress was the castle in Pultusk, an oval, island town on the Narew River north of Warsaw.

The workers were from Pracownie Konserwacji Zabytkow, a state-run company based in Warsaw that honed its considerable skills resurrecting great works of Polish art and architecture from wartime damage. The company then mastered the art of exporting those skills, illustrating the thesis of its associate director of research, Lech Krzyzanowski, that "people understood there was a possibility to re-create life, to wring a victory over death, in symbolic terms."

Poland is still in the tedious process of healing the scars of war inflicted on its architectural and artistic heritage, much of which was burned, ravaged and reduced to rubble between 1939 and 1945. The company, which began its work in 1946, is currently involved in about 400 restoration projects, in Poland and as far away as Cambodia. Some of the structures are restored to their original state; others are adapted for modern use.

Pultusk, where the castle is under reconstruction, lies on the outer northern stretches of what used to be the territory of the Dukes of Mazovia, and served as an outpost against Lithuanian invaders until Poland and Lithuania united in the late 14th century. According to Andrzej Lotysz, who is in charge of the company's scientific and historical documentation, the Swedes later destroyed and then rebuilt it.

"This town was on the classic route from the west through Warsaw and on to Vilnius, into Lithuania and Moscow. It's the route Napoleon took," Mr. Lotysz explained, leading visitors recently across broad expanses of rounded stone in the town square. The restored castle, scheduled for completion next year, will house a 92-bed hotel and a conference center.

The Gothic bricks being used in the renovation came from the company's own kilns near Gdansk. Among its numerous facilities the company also possesses stained-glass ateliers in Torun, a center for restoring organs in Cracow and tapestry workshops in Lodz and Warsaw. The company, whose Polish name translates as "Ateliers for the Conservation of Cultural Properties," employs about 9,500 people, 1,100 of them outside Poland.

Indeed the company, which — unusual for a state-run company — is completely self-financed, can only continue its work in Poland because of its projects abroad. At the moment, 400 workers are dispersed among 10 sites in Riga, the capital the Latvian Soviet Socialist Republic, restoring wall paintings and rebuilding organs. But the main project there is the transformation of the Baroque church and medieval buildings surrounding the Marstall Stables into a modern recording and video production center, including a recording studio in the church building itself.

For the last 10 years, company experts have labored in Augustusburg Palace, near Cologne, West Germany, restoring the magnificent rococo summer residence of the archbishops of Cologne that the Bonn Government uses for receptions of state.

Company archeologists are also working on 15th-century B.C. monuments of Hatshepsut near Luxor, Egypt, and on the remains of a ninth-century city in the deserts of Algeria. In the Cambodian capital of Phnom Penh, company experts are restoring immense wall paintings in the central pagoda. Others are repairing medieval temples near Da Nang, in South Vietnam.

"We began going overseas in the 1960's, for our Ministry of Foreign Affairs, restoring Polish embassies in Paris and London and New York," Mr. Krzyzanowski, who is an art historian, explained. But the first significant non-Polish contracts came from Munich, when the city was preparing to host the 1972 Olympic Games.

East Germany soon followed as a client, and 100 restorers worked from 1979 to 1986 virtually reconstructing the Neue Kammern, graceful 18th-century palaces built in Potsdam's San Souci Park for Frederick II of Prussia. The work involved restoration of the foundations and vaulted cellars, redoing decorative rococo stucco and restoring hundreds of paneled paintings, fireplaces and pieces of period furniture.

Next came other major West German projects. In Bruhl the sumptuous rococo staircase of Balthasar Neumann was restored, and in Trier the company's experts worked on 16th- and 17th-century altars.

The company started out in the ruins and rubble of postwar Warsaw, where a handful of people prepared designs for the faithful reconstruction of the old city after its destruction by Nazis, which Poland's postwar leaders resolved should be completely rebuilt, phoenix-like. The crown of that work was the completion in 1984 of the former royal castle after 15 years of work. The company's principal activity is now restoration rather than reconstruction. Acute demand for specialists not only in art history and architecture but also in such disappearing crafts as stucco, gilding and woodwork has led the company to recruit young people from schools and universities and meticulously train them in two-year programs. Work overseas, and the promise of salary and adventure, binds them to the company and the country at a time when Poland's stumbling economy provokes many young people to emigrate.

Even as the monuments are restored, they face a new, more insidious threat: pollutants in the environment.

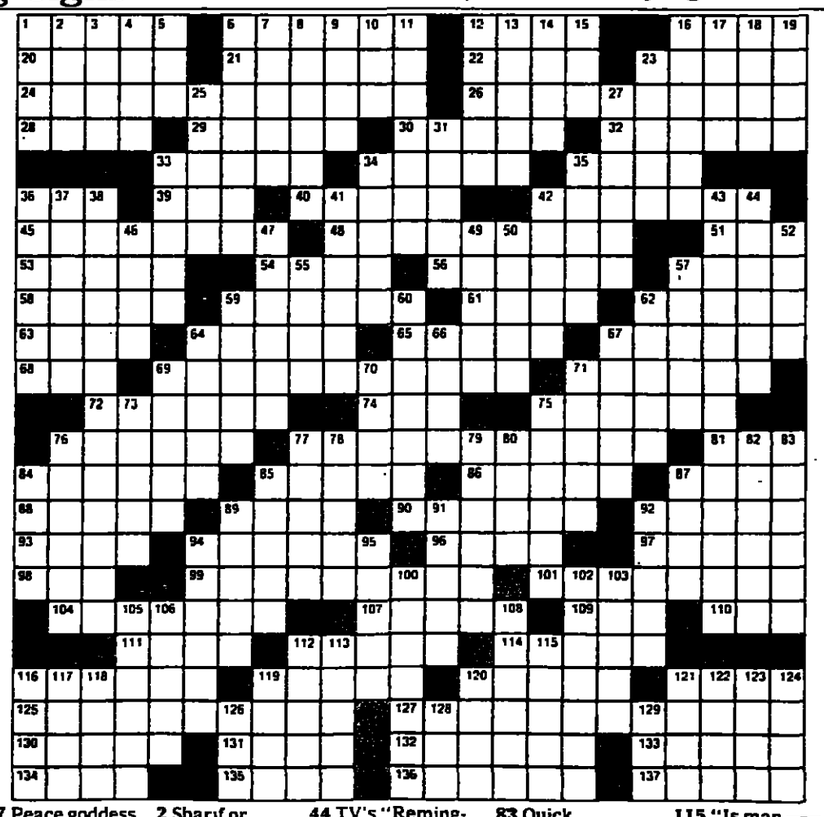
"When we restored the Old Town of Warsaw and opened it in 1953, it was only 20 years before the quality of the roofs, of the water pipes, of the stone, was so poor that further restoration was necessary," said Mr. Krzyzanowski. "Salts are forming in the cement, in the chalk, even in the pieces of stone from the quarry.

"Vitruvius writes that you should leave freshly quarried stones in open spaces, to let them breathe, before using them in construction," he went on, referring to the ancient Roman architect. "But today that means that poisons enter the stone, and you are building into your structures stones that are not of good quality.

"We do not realize the scale of the trouble," he said. □

Assigning Signs

BY BETTE SUE COHEN/Puzzles Edited by Eugene T. Maleska



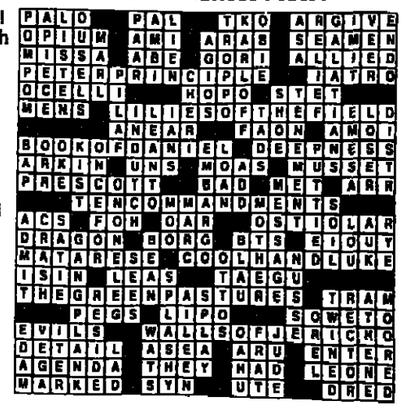
ACROSS

1 A VIRGO
6 TV role for Kate Jackson
12 Confront
16 Splotch
20 Soap substitute
21 Shade of red
22 Robert Alda's son
23 Name in fashion
24 A SCORPIO
26 A GEMINI
28 R.W.R., e.g.
29 Night sound
30 Statistic
32 Wickerwork material
33 It's full of hot air
34 Two-legged support
35 Madcap
36 D.C. group concerned with prices
39 Hgt.
40 —— rima (verse form)
42 Jeeps
45 "Her eyes —— of silent prayer": Tennyson
48 A SAGITTARIAN
51 —— glance
53 Puerto follower
54 Contemptible person
56 Occupations
57 Vestige
58 Word after iron or ethyl
59 Fool
61 Grown old
62 Pilsener
63 Quannet
64 Brawl
65 Alleviated
67 Bribery of sorts
68 Mo. when 127 Across was born
69 A PISCES
71 Long, hooded cloak
72 More insipid
74 Women's ——
75 Duty
76 Upset the iron horse's course
77 AN ARIES
81 Where to become an off.
84 Islands of the Bahamas
85 Free, in Marseille
86 Place for a buttonhole
87 Four rows at the Palace
88 Like Harvard's walls
89 Bowery denizen
90 Used a lighter
92 Metric unit
93 Lofty
94 Singer Easton
96 Snick's partner
97 Peace goddess
98 Photog's blowup
99 A CANCER
101 Took a poll
104 Certain madrileñas
107 Make into law
109 —— Dee, Carolina river
110 No vote
111 Emend a manuscript
112 Electronic navigational device
114 More uncommon
116 Hitchcock's "Strangers on ——"
119 Pub game
120 Patron saint of France
121 —— Hari
125 A CAPRICORN
127 AN AQUARIAN
130 Irish patriot
131 B'way group
132 Grand Tour site
133 Extreme
134 Close to
135 End of a hammerhead
136 He's no nudist
137 A LIBRA

DOWN

1 Finn's neighbor
2 Sharif or Bradley
3 Mantle
4 Building extensions
5 Prefix with Impressionism
6 A mile ——
7 City in Ga.
8 Mountain in Turkey
9 Reporter's asset?
10 —— Passos
11 Subject to electrolytic action
12 Ipso ——
13 Orally
14 Storm preceder
15 Opp. of WSW
16 Big —— (W.W. I cannon)
17 Native of Riga
18 A first-floor apartment
19 Swiss canton
23 Gasconade
25 Sacred song
27 Gambados
31 Independently
33 Rhone feeder
34 Godden's "In This House of ——"
35 Tore
36 Distant
37 Ed Norton's wife
38 A LEO
41 Walking on air
42 Sojourned
43 A TAURUS
44 TV's "Remington ——"
46 Angle, in geology
47 Resembling a pillar
49 Key on some typewriters
50 "Dirty Dingus ——," 1970 film
52 Taj Mahal site
55 To dare, in Dijon
57 —— Atonement
59 Highly esteemed person
60 Works on a chesterfield
62 Rabbit fur
64 Year in Edward VI's reign
66 Eban of Israel
67 Word of mouth
69 Dik-dik's big cousin
70 Winglike
71 Boxed
73 One of the archangels
75 Kin of wickiups
76 Oriental royal councils
77 Eatery
78 "—— and Ivory," 1982 song
79 Facility for outpatients
80 Sound
82 Eye part
83 Quick
84 Take the bait
85 Mortgages
87 Bog
89 —— germ
91 Thai, e.g.
92 Chopped ——
94 Lourdes attraction
95 Prevent
100 Agitated
102 Insurgent
103 A.F.B. in Tex.
105 Less messy
106 Pindar was one
108 Seismograph recording
112 Beatrice's adorer
113 Spleen, e.g.
115 "Is man —— or an angel?": Disraeli
116 TV sitcom
117 What Kate became
118 Italia's capital
119 Where to see sea oats
120 "—— Maar Seated," by 24 Across
121 Quern
122 —— spumante
123 Cowfish
124 Med. subject
126 Open a barrel
128 Former capital of Annam
129 Proper

ANSWER TO PREVIOUS PUZZLE



The New York Times

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'The Enterprise' and Public Trust

President Reagan accepts nominal responsibility for the Iran-contra affair — yet still won't acknowledge the heart of the scandal: his irresponsible privatization of Government's most sensitive functions.

His program of illicit arms sales, illegal military aid and covert foreign policies was the ultimate turnover of government to private enterprise. It was even called "the Enterprise" by the arms merchants who ran it. To those who mourn the loss of public trust, it's called a tragedy.

Iran-contra was surely enterprising, the venture of imaginative men wielding Government power but not tethered to constitutional controls. Private agents were unleashed to do what President Reagan, bound by law and his pledges to the American people, could not do. They sold arms to Iran, a terrorist adversary, in return for American hostages, then used the profits to buy lethal supplies for the rebel forces in Nicaragua.

•

Enterprising, yes, and scary. Just how scary, based on what the enterprise did and planned to do, is chillingly clear from the report just issued by the Senate and House investigating committees. As Lieut. Col. Oliver North testified, the late William Casey, Director of Central Intelligence, was the enterprise's silent partner and grand designer.

According to Colonel North, Mr. Casey saw the Iran-contra diversion as "a neat idea" and the enterprise as a model for a *permanent* covert entity, self-financed and off the books, readily pulled off the shelf when needed for clandestine operations anywhere. As one of the report's authors said last week, "Casey had a dream, and in Iran-contra the dream became operational."

Like his friend the President, Bill Casey was frustrated by Government, impatient with its processes and contemptuous of Congress and its attempts to share power and oversee the executive branch. They long believed in private-sector superiority, and so did Richard Secord, the retired Air Force general who became the enterprise's munitions master at Mr. Casey's suggestion.

General Secord's partner, Albert Hakim, testified that he found himself "Secretary of State for a day" and could get more done than the authorized incumbent. Incredibly, this private citizen was authorized to make concessions to Iranian officials in America's name that were utterly at odds with sane, official policy.

The enterprise eventually acquired five airplanes, an airfield and warehouse facilities, at public expense. When Iran-contra began to unravel, these entrepreneurs tried to sell these assets back to the U.S. Government. Their operation generated an estimated $48 million in revenue, from which they paid themselves handsomely while still claiming title to assets that the committees estimated to be worth as much as $8 million.

Yet none of this much troubles the man who made it all possible. The committees' majority report charges the President with creating the climate for these lawless initiatives and failing to inform himself even when confronted by scandal. He gave wrong answers, avoided asking trusted aides what they had done with their trust, even expressed boredom as the Congressional hearings told him what he was supposed to know.

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Above all, the committees' report leads the American people back to the central point, trust. When Mr. Reagan a year ago acknowledged his responsibility in the sale of arms to Iran, a once-admiring public was incredulous; his standing in the polls plummeted overnight — and has not recovered since.

There are no institutional or legislative protections against a President who would secretly abuse that trust. He can always find a way around the procedures and loopholes in the laws. The committees' report recognizes that and limits its recommendations to modest changes. The only real remedy is a President who will faithfully execute the laws we already have.

They're Still Cheating Housing

A badly needed housing bill, the first in seven years, blew up in the Senate last week after passing the House, 391-1. The charge of budget-busting did it. Reducing the budget deficit is Washington's primary goal at the moment, but housing, whose share of Federal spending has shrunk substantially in the last eight years, is no place to look for residual extravagance. Budget-busting is bad; people-busting is worse.

Senators criticized the housing bill because it would start new programs. One, which would modestly extend the successful Nehemiah one-family home program from Brooklyn to other parts of the nation, remains desirable and is not costly.

A second initiative, protecting low-income tenants from probable rent increases in privately owned Government-aided apartment houses, remains necessary but will be costly.

A third, offering 10-year reparations payments to families moved from sites of public improvements, would be both expensive and unnecessary.

These three initiatives attracted the most criticism because even the critics could not attack the basic provisions of the proposed two-year bill. Housing has not busted the budget; on the contrary, it has been slashed relentlessly for eight years. Budget authorizations for housing were 7 percent of the Federal budget in 1978. Now they are *seven-tenths of 1 percent.*

For instance, public housing construction has diminished to a trickle because of these years of cuts. Now the nation can less than ever permit existing projects to disintegrate for lack of maintenance. Thanks to the public housing construction program that began in 1937, there are 1.9 million public housing apartments, 96 percent of them occupied. Most of the vacant 4 percent need repair.

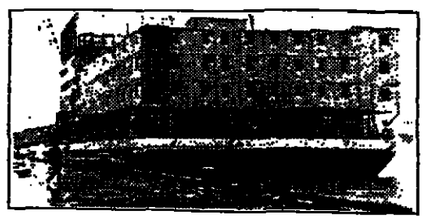
Immediate repairs to all public housing units are estimated to cost $9 billion (including lead paint and asbestos removal that Congress requires to begin forthwith). The two-year bill would provide funds to start that. If repairs are not made, either more families will be made homeless or replacement would be necessary, at staggering cost.

The housing bill would also increase, by 50,000, approximately one-tenth, the present number of families receiving housing vouchers and certificates. These help lower-income families pay market rents. If Government-assisted, low-income apartments can be taken over by higher-income residents, as is becoming lawful, many vouchers will be needed simply to permit low-income families to stay in their homes.

These are the big-cost items in the bill. They are a small fraction of what the nation needs to spend to redeem its historic promise to offer every family a sound, sanitary home in a suitable environment. The housing bill should be revived as a down payment on the promise. To cut the bill's major features is a down payment on family misery and national disgrace.

The Editorial Notebook

The Jail Barge Blunder



It seemed like a good idea last spring: Turn a floating barracks from England into instant New York City jail cells. Today, all too late, it looks like an enormous blunder.

To a Koch administration caught between courts that send ever more prisoners to jail and other courts that keep demanding adequate space for them, it looked like a gift from heaven. The mobility of the high-rise billet, mounted on a giant scow, could be an advantage in a town where neighborhoods react with fury to the merest rumor of a new jail; and it had housed nearly 1,000 soldiers in the Falklands, enough to make a significant dent in the city jail system's 14,000-plus inmate load. At $19 million, it was a steal. Corrections officials were dispatched to London to close the deal.

In their enthusiasm, they appear to have overlooked a basic point: Jails are designed for surveillance and security. The English barge was designed for privacy and comfort. Jail cells are arranged along open tiers, so that a guard may check on a score of inmates at a glance. The barge is a maze of corridors and cul-de-sacs; one cannot tell what is happening inside one of its fragile "cells" without walking in and peering around a partition.

Jail cells are furnished with toilets and washbasins so that an inmate never need leave. The barge is more like a college dorm: rooms contain only cots and cupboards; the toilet is down the hall.

To facilitate toilet traffic, the city's jailers have removed the doors from all the cells; inmates are to be confined by the dozen in locked sections. The risk of escape is slight: anyone who broke out would quickly find himself lost in the maze. But how can guards be protected from the inmates and the inmates from each other?

A tour of the barge reveals endless potential weaponry. Ubiquitous heavy-nozzled fire hoses resemble giant blackjacks. Wardrobes are fitted with pipe racks. Bookshelves rest on shiv-sized metal brackets. Hand-held shower heads dangle from garrote-length rubber hoses.

The risks immediately erase any possible economies: had the city been able to board 1,000 prisoners, cost per bed would approximate that of the dormitory units it has been building on Rikers Island. Now it doesn't dare put more than 380 on the barge; the cost will approach that of constructing a traditional medium-security cell.

Given the investment and the need, officials ought to try using the barge, but to do so, they will have to assign extra guards, thus piling inflated operating costs on top of the capital outlay. And they pin enormous hopes on a system of inmate classification: barge beds are reserved for those found to be docile and cooperative.

But that raises a basic question about a correctional agency that could do much more to expedite bail and take other procedural steps to ease the jail crunch: If many inmates are so benign, why do they need to be locked up at all?

DAVID C. ANDERSON

Letters

Limit the U.N. to Be Monitor of the Persian Gulf

To the Editor:

The letters from Soviet U.N. Permanent Representative Aleksandr M. Belonogov and Prof. John Gerard Ruggie (Nov. 3) clearly reveal the main defect in the otherwise sound and imaginative proposal by Cyrus E. Vance and Elliot L. Richardson for a United Nations role in the Persian Gulf (Op-Ed, Oct. 20): the call for a United Nations naval force. Professor Ruggie's objections to such a force are right on the mark. However, the U.N. can be extremely useful in the gulf without involving itself in peacekeeping.

Mr. Vance and Mr. Richardson want at least token U.N. peacekeeping in the gulf as a beginning toward reducing the United States naval presence there. That's a non-starter. The U.S. will not reduce its flotilla unless the tanker war greatly subsides. It is equally opposed to a U.N. naval force with a Soviet component and in whose direct management the Soviet Union would share — exactly the kind of force suggested by Mr. Belonogov.

Furthermore, the U.N. has no experience with the special problems of supporting a naval peacekeeping force and coordinating its actions with other navies. Thus, both politically and operationally, the peacekeeping part of the Vance-Richardson proposal asks the U.N. to run before it can walk.

Instead, the U.N. Security Council should establish by resolution a monitoring and inspection unit at the mouth of the gulf. This would enable merchant ships passing inspection for war matériel to fly the U.N. flag and to carry a U.N. observer. Ships of all nations except Iran and Iraq, bound for anywhere in the gulf including Iran and Iraq, would be eligible for U.N. flagging.

The resolution should also call on all U.N. members, and especially the permanent members of the Security Council, to use their naval vessels in the gulf to protect all U.N.-flagged ships. When the resolution is adopted, at least the permanent members would, by pre-arrangement, make statements in the Security Council committing themselves to provide this protection. Should it appear essential that there be some U.N. naval presence, this could be in the form of minesweepers whose activities, limited to international waters, would not constitute peacekeeping.

Since the U.N.'s role would not include peacekeeping, Professor Ruggie's objections concerning the need for the direct consent of the belligerents would not arise. Their tacit non-objection would be enough.

The Arab states on the gulf which covertly support Iraq would find this kind of U.N. role attractive. It would permit them once again to disengage from the U.S. and the U.S.S.R. It would also provide protection to most ships carrying their cargoes, not just those that the U.S. and the U.S.S.R. are willing to flag. Iraq would find it very difficult to refuse a request from these states for its tacit acquiescence. At the same time, U.N. flagging of ships would provide some protection to Iran's oil customers and give Iran a face-saving way to pull back from its confrontation with Washington.

As for the U.S., U.N. flagging would rescue us from the limitations and subterfuges of U.S. flagging, give us a basis for protecting most merchant ships in the Persian Gulf in line with our stated purpose of maintaining freedom of international waters there, and make it much easier for other nations to begin or expand their naval presence. A large presence by other navies would lower our own profile and eventually make it possible for us to reduce or stabilize the size of our gulf fleet.

Finally, a U.N. role restricted to inspection, monitoring and possibly minesweeping would be compatible with a variety of circumstances: cease-fires, arms embargo or the absence of either.

Sometimes deliberately, sometimes blindly, the United States and the Soviet Union have for too long alternated in asking too much or too little of the United Nations. Let's test the U.N. and Soviet professions toward it by giving it another real — and realistic — chance to show that it can work.

JOHN L. WASHBURN
Washington, Nov. 10, 1987

The writer was until recently responsible for multilateral affairs on the Policy Planning Staff of the State Department.

What Has a Weasel Ever Done to You?

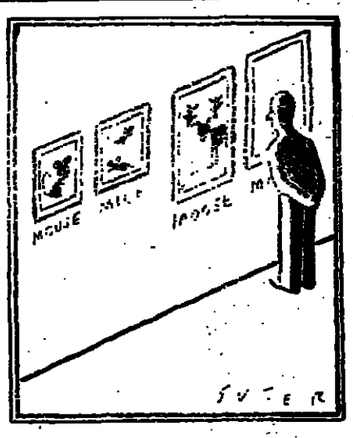
To the Editor:

On the Nov. 17 Op-Ed page John Oakes comments negatively on the record of Attorney General Edwin Meese 3d; the article is illustrated with a drawing portraying Mr. Meese as a bat.

I have often wondered why, when we wish to say the worst of someone, we compare him/her to an animal, one of the so-called lower forms of life. But think about it: What has a skunk ever done to you? Or a weasel, polecat, snake-in-the-grass, or pig? When the most heinous, unthinkable crimes are committed — a rape and murder, for example — invariably the perpetrator is called "an animal" as commentators reach for the lowest epithet.

Yet, with the exception of certain primates (who are, after all, most closely linked with us) animals usually kill only when they must for food or self-protection. For wanton, egregiously cruel behavior — torture, for example — the front runners in any competition are certainly our own Homo sapiens, the self-named "wise" species.

I have now gone far afield from Mr. Meese and what we might call his injudicious acts unbefitting his office.



No one yet is calling him an animal, just in a picture, which, in our time actually is the way most things are said, isn't it?

Bats, incidentally, do more good than harm, since they eat crop-damaging insects and produce guano for fertilizer.

MIRIAM SCHLEIN
New York, Nov. 17, 1987

The writer is author of books on wildlife, including "Project Panda Watch" and "Billions of Bats."

Out of Sight, Out of Soul

To the Editor:

Paying $53.9 million for Vincent van Gogh's "Irises" is sick, but not nearly as obscene as hanging it on a private wall where no one else can see it. Art of this caliber should exalt the glory of the human spirit, not the content of a fat wallet.

If a museum had paid this price it would have been just as sick, but at least the painting would still be available to the world. It is almost as if someone bought all the rights to Beethoven and the rest of us were told we could never hear the mighty Fifth again. The buyer and seller may have lots of money, but they have no soul.

And then, right on the heels of the "Irises" sale, comes the news that Lloyds of London is about to sell a rare and unusually beautiful Stradivarius violin which came into its possession because Lloyds had paid the insurance claim 50 years ago after the Strad was stolen in 1936. The price tag today is expected to exceed $1 million.

Will this also wind up in a prvate display case somewhere? A musical instrument is worth nothing if it isn't being played. If Lloyds of London has any conscience at all it will sell the Strad for its out-of-pocket costs to someone who can play it well. Or do Lloyds executives never attend a concert?

MICHAEL SCOTT
Seattle, Nov. 13, 1987

Catering to the 'Four-Wheel Religion' Folks

To the Editor:

We've all been to funerals where the presiding clergy have presumed to say more than they knew about the deceased, and so Joe Queenan's "Send Off From 'This Vale of Tears'" (Op-Ed, Nov. 1) brought a smile of recognition about a sad circumstance.

I encourage readers to be sensitive to the clergy's side of that scene, as well. We are often called upon to do funerals for the proverbial "four-wheel religion" folks whose only visits to the church are in a baby carriage to be baptized, a limousine to be married, and a hearse to be buried. In such cases clergy should attempt to garner from friends and family of the deceased enough information to make the funeral service personal, and those who are wise will not wander beyond that information.

As for the service itself, however, most religious traditions have a standard rite that is used on such occasions, reflecting the faith and theological understandings of that tradition. If the funeral service seems inappropriate for someone, such as Mr. Queenan's friend, that may be more a judgment upon the individual being buried than upon the tradition the family chose as the means for this event.

In most states people can choose to be married by a judge or some other public official when a church service and God-related language seem inappropriate. Perhaps a similar option should be encouraged in relation to funerals.

WAYNE M. CONVER
Associate Pastor
First Presbyterian Church
Kalamazoo, Mich., Nov. 8, 1987

A Chore for the Pope

To the Editor:

Pope John Paul II is frequently referred to as the most international and well-traveled Pope. He has made a particular effort to visit such troubled spots as Central and South America and the Middle East. Yet he continues seemingly to ignore a country, predominantly Catholic, that has been deeply troubled for many years — Northern Ireland. To be sure, a trip there would be a very risky one for the Pope. Nonetheless, it seems to me that Dublin would be safe enough.

The Catholics (and Protestants too) badly need a Prince of Peace to speak in their behalf, especially in view of the recent bombing in which 43 were wounded and 10 killed. Even though the troubles in Northern Ireland are more political than religious (involving the intractible Prime Minister Margaret Thatcher) they could use anyone they can get as an arbitrator.

BETTY BYRNES COGLEY
Brooklyn, Nov. 8, 1987

Can We Ask More of Our Leaders Than We Ask of Ourselves?

To the Editor:

The recent obsession with the Gary Hart affair and now with the Judge Douglas Ginsburg debacle, threatens to reduce an already impoverished level of political discourse in the United States to the level of cartoon or soap-opera. Private rectitude is no guarantee of public rectitude or the wise and honest conduct of office. Mayor Ed Koch and President Ronald Reagan appear personally spotless, but their administrations have been the most scandal-tarnished in the modern history of those offices.

We live in the most scabrous epoch in American history with rampant corruption and perversion from bedroom to boardroom, in public and private. Public figures merely reflect the moral standards of their society. Let us not compound decadence with hypocrisy by demanding that a few leaders stand as symbols of purity while the rest go their merry way.

We might well take a lesson from an earlier time. Secretary of the Treasury, Alexander Hamilton, President Washington's closest adviser, confessed to committing adultery but continued to serve. Thomas Jefferson was accused — and the charge widely believed — of taking his slave, Sally Hemmings, as a concubine and fathering a brood of children. Jefferson won the Presidency twice.

This obsession with "character" results from the loosening of partisan bonds and the erosion of relatively clear-cut programmatic and ideological difference that long distinguished the parties. Above all, it stems from the impact of TV on political discourse, with its tendency to simplify the complex by reducing the political to the personal.

PAUL GOODMAN
Professor of History
University of California
Davis, Calif., Nov. 9, 1987

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To the Editor:

Apropos of the Hart, Ginsburg et al furor: Yesterday, doing some research, I came across the following:

In 1884 Grover Cleveland and James Blaine were competing candidates for the Presidency. During the campaign it was revealed that Cleveland had fathered a child in an adulterous relationship. Those in charge of his campaign gathered in shock and consternation. Finally someone whose name unfortunately has not been recorded spoke up:

"From what I hear, Mr. Cleveland has shown high character and great capacity in public life, but that in private life his conduct has been open to question, while, on the other hand, Mr. Blaine in public life has been weak and dishonest while he seems to have been an admirable husband and father. The conclusion I draw is that we should elect Mr. Cleveland to the public office, which he is admirably qualified to fill, and remand Mr. Blaine to the private life he is so eminently fitted to adorn" ("Biography of Theodore Roosevelt," by Henry Pringle, 1931).

This the country did.

ROBERT ANDERSON
New York, Nov. 11, 1987

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

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ABROAD AT HOME
Anthony Lewis

Nobody At Home

BOSTON

For some years now Washington has been the site of a fascinating controlled experiment. The study has been seeking the answer to this question: Can the American system of government work, in the modern world, with no one in charge?

The results are in, and they are conclusive. The answer is no.

The decisive test has come over the last month. The stock market crash of Oct. 19 brought a great demand and opportunity for Presidential leadership. Financial markets and political leaders around the world looked to President Reagan. A month later it is clear that there will be no meaningful response. And the consequences are menacing.

In the American system the President does not govern alone; it is a system of multiple power centers. But nothing can happen without Presidential leadership. We are relearning that old truth in this time of a President detached from reality, detached from responsibility.

Consider the endless negotiations over measures to reduce the budget deficit. The world's financial markets breathed in and out as the talks wavered between hints of success and failure. The end, when it finally came, seemed not a bang but whimper. It is not likely to restore confidence — which was the point of the exercise.

> How can our system work if the President doesn't respond?

Congress has its share of responsibility, of course; some members of both parties thought of short-term politics instead of the financial urgency. But the really extraordinary thing about it was the detachment, the passivity of the President of the United States.

Mr. Reagan, over those weeks, did little about the budget negotiations except repeat his familiar political argument that tax increases are bad and could be only a last resort. To make that point in the circumstances was eerily counterproductive, since the one symbol the financial world wanted for reassurance was a tax rise.

Almost any imaginable President, in those circumstances, would have turned necessity into leverage. He would have said something like:

"You know that I have been opposed to higher taxes. But in a time of financial concern, and in order to prevent worse, we must all make compromises. I am calling on Congress to raise the gasoline tax — it will still be far less than other countries' — and to limit cost-of-living adjustments for Social Security . . ."

The gasoline tax and Social Security adjustment ideas were in fact discussed at a meeting of Congressional leaders with Mr. Reagan on Nov. 6. But he took no firm position, leaving everyone confused. Some who attended the meeting said they found the President's performance scary.

In the absence of a commitment from Mr. Reagan — a willingness to take the political heat for something like a limit on cost-of-living adjustments — Democratic Congressmen naturally would not stick their necks out. That necessary step — and it is necessary — can come only by political agreement. And that in turn requires Presidential leadership.

Another remarkable example of ineptitude in the White House has been the fumbled proposal to have Mikhail Gorbachev address a joint meeting of Congress. The idea was certain to outrage right-wing Republicans in Congress. How could anyone put it forward without anticipating that reaction? Where was Howard Baker, whose special value as White House chief of staff is supposed to be his familiarity with Congress?

Once the adverse reaction exploded, it was essential for the White House to come up quickly with an acceptable alternative. To have the controversy run on was to give Mr. Gorbachev a slap in the face — something no sane American official would want to do with Mr. Gorbachev in a tense internal political situation on the eve of the summit meeting.

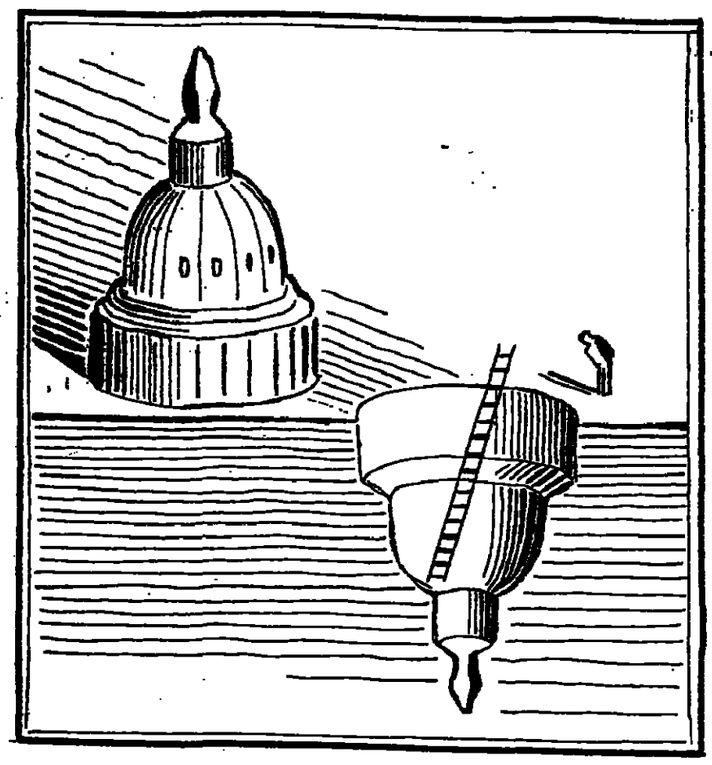
But the more worrying leadership failure has been the President's nonresponse to the financial crisis. For me the most powerful sign of that failure has been the intense criticism from Britain's Conservative Government, once his most adoring foreign friend.

The Chancellor of the Exchequer, Nigel Lawson, called early this month for "a clear and credible package" to reduce the American budget deficit, "preferably with at least some increase in some form of taxation." That, he said, "has become the touchstone of whether the United States has the political will to make hard choices and to do what needs to be done."

The United States does not have the political will today. It cannot while it has a President adrift in slogans, out of touch with urgent necessities. □

The Cost of Divided Government

By Lloyd N. Cutler



It would be laudable if President Reagan and Congressional leaders could deliver on their agreement in principle for a two year, $76 billion deficit reduction plan. As everyone recognizes, their ability to do so remains threatened by the institutional frictions between the two branches. But an even greater threat to achieving their goal is the persistence of divided Government: the condition that exists when one party holds the White House while the other holds a majority of one or both houses of Congress.

Consider this startling statistic. A Federal deficit in the range of 2 percent of the gross national product is generally regarded as sustainable, while a deficit above 3 percent is not. Since World War II, the deficit has climbed above the 3 percent level nine times. Every single time has been a time of divided Government.

That was so in 1948 (Truman vs. the Republican "do-nothing" 80th Congress), in 1975 and 1976 (Ford vs. a Democratic Congress), and in 1982, 1983, 1984, 1985, 1986 and 1987 (President Reagan vs. a Democratic House in all six years as well as a Democratic Senate in 1987).

Divided Government is a recent phenomenon. For the 150 years from John Adams through Franklin D. Roosevelt, we had party Government (one party holding the Presidency and a majority of both houses) about 75 percent of the time.

From Truman through Reagan, we have had divided Government about 60 percent of the time. For the last 20 years (Nixon, Ford, Carter, Reagan) we have had divided Government 80 percent of the time.

In eight of these 16 divided Government years (including the last six), the deficit has significantly exceeded 3 percent of the gross national product. It is time we recognized that the twin budget and trade deficits have a shadow triplet: the deficit in the incidence of party Government.

The relationship between deep deficits and divided Government is obvious. The voting public condemns deep deficits. So does every elected politician. If a deep deficit occurs when one party holds the Presidency and a majority of both houses, its elected officials would have to take the blame. They would have to adopt some plan to reduce the deficit or be held accountable by an angry electorate at the next election.

But if a deep deficit occurs when we have divided Government, every incumbent can easily put the blame on the others, as the Republican President and the Democratic leaders of Congress have been doing for years. Because the voting public that condemns huge deficits cannot hold any incumbent or either party accountable, the public re-elects a very high percentage of those who have collectively brought the huge deficits about.

Of the last five incumbent Presidents who ran for re-election at a time of divided Government (Truman, Eisenhower, Nixon, Ford and Reagan) all but Ford were re-elected. For the last several decades, more than 90 percent of Congressional incumbents who have run for re-election have been re-elected. In the 1986 election, 96 percent of all incumbents who ran were re-elected.

Divided Government has obviously been good for incumbents. But is it good for the nation? Woodrow Wilson thought not. In the 1912 campaign, when the Republicans held the Presidency and the Senate but the Democrats held the House, Wilson's theme was the danger of divided Government.

"You have an arrested Government," he said. "You have a Government that is not responding to the wishes of the people. You have a Government that is not functioning, a Government whose very energies are stayed and postponed. If you want to release the force of the American people, you have got to get possession of the Senate and the Presidency as well as the House."

The public responded to Wilson's plea. In Wilson's first term, party Government laid the legislative foundations for the New Freedom, generally regarded as the most creative period of Government between Reconstruction and the New Deal.

In this bicentennial year, it is worth recalling that while the text of the Constitution is silent on the subject, the Framers promptly set about organizing two broadly based political parties in order to make their brave new experiment work.

There were only four elections during the 19th century in which the party winning the Presidency failed to carry a majority in both houses of Congress. In the 20th century, this never happened until Dwight D. Eisenhower's second term. In the last 20 years, it has happened four times out of five.

What is responsible for this recent and persisting shift to divided Government? Well-meant reforms like the primary system, and technological developments like television, have made party labels and party policies less important to voters, while making a candidate's individual personality more important.

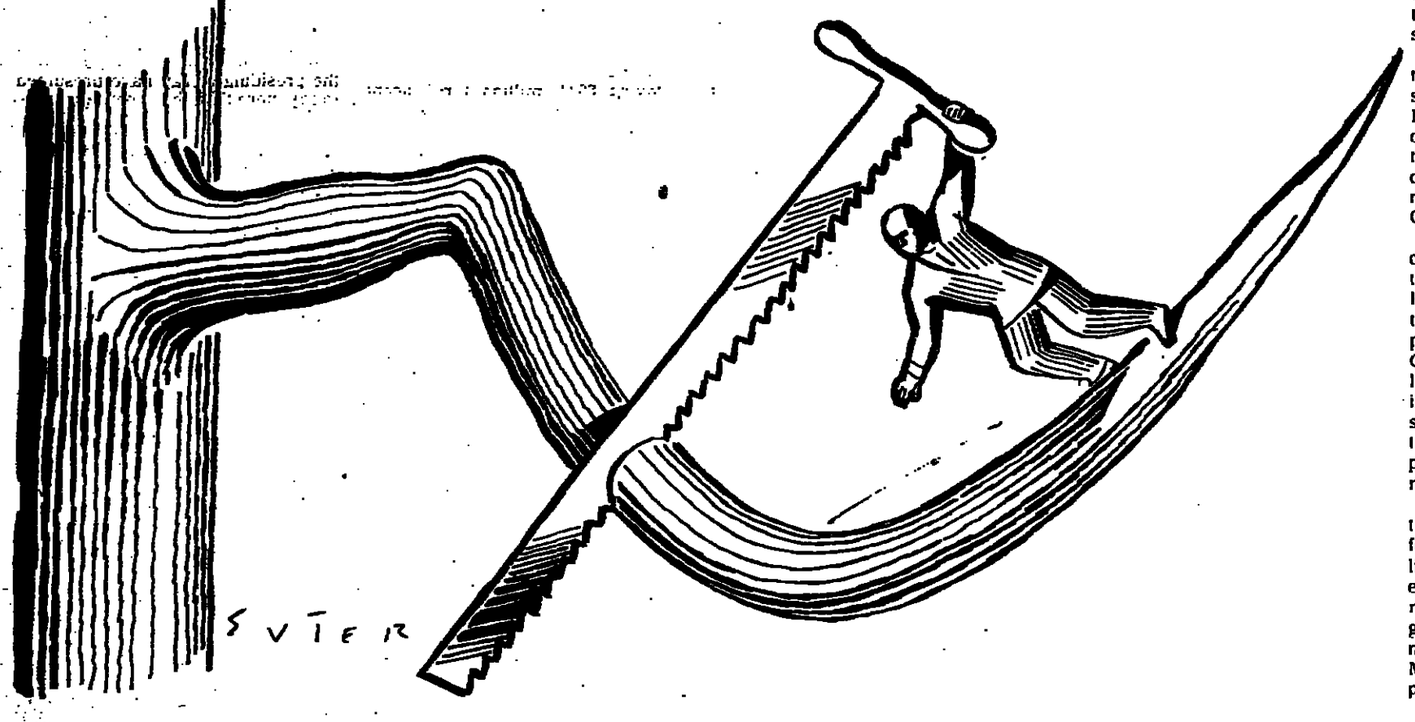
About one-third of all voters no longer regard themselves as members of a political party. Even party members have no qualms about splitting their tickets.

In 1900, only 4 percent of all Congressional districts cast a majority vote for the Presidential candidate of one party and the House candidate of the other party. In 1984, this occurred in 45 percent of all Congressional districts.

The persistence of divided Government will not be reversed until the voting public is ready to recognize its high costs. The last six years of deadlock over domestic and foreign policy can serve to bring that lesson home. As Cassius might have put it, the fault, dear voters, is not in our stars, but in ourselves, that we are ticket-splitters. □

Lloyd N. Cutler, who was counsel to President Jimmy Carter, practices law in Washington.

After Yeltsin, Gorbachev?



By Marshall I. Goldman

CAMBRIDGE, Mass.

With Boris N. Yeltsin, the deposed Moscow party chief, tucked safely into a senior post in the construction industry, the Kremlin's spin-control artists are hard at work minimizing the affair. The West should not fall for their wiles.

"We are in the process of learning democracy and the culture of real debate," said Georgi A. Arbatov, a Government spokesman, of the 1930's-style public humiliation of Mr. Yeltsin. "It is sometimes hard to overcome old habits."

In fact, the Yeltsin affair may some day be seen as the first sign that Mikhail S. Gorbachev's efforts to reform Soviet society and economic life would end in failure.

A confrontation between the reformers and Moscow's enormously powerful and corrupt party bureaucrats — the so-called nomenklatura — had been brewing for some time.

It occurred in the Yeltsin affair and was won hands down by the reactionaries. The question now is whether Mr. Gorbachev himself can avoid a similar fate.

From the moment Mr. Gorbachev declared his intention to reform the economy, a confrontation with the nomenklatura was inevitable. That was only underscored with the 1985 appointment of Mr. Yeltsin, a strong proponent of reform.

The battle lines were drawn last April in a remarkably clear warning to Mr. Yeltsin and his fellow reformers from the wife of a senior party official.

"Don't snipe at us," the woman wrote in a Moscow newspaper. "We are the elite and you cannot halt the stratification of society. You are not strong enough. We will rip the puny sails of perestroika and you will be unable to reach your destination. So cool it." Earlier, others had warned Mr. Yeltsin to go back to his home base of Sverdlovsk, an industrial city in the Urals, while there was still time.

Under Mr. Yeltsin's predecessor, Viktor Grishin, Moscow officials, like their counterparts all over the Soviet Union, came to regard their niches in the state and party apparatus as personal fiefdoms.

For example, a Moscow food store manager built a personal fortune of $1.5 million by offering hard-to-buy goods in exchange for personal gifts. His partners included officials at the highest level of the Ministry of Light Industry. Such schemes exacerbated shortages and increased distrust of the system. No reform could take place until the system had been purged.

Mr. Yeltsin seemed the perfect manager to shake up and shake out the stagnant, corrupt and inept Moscow bureaucracy. After his appointment in 1985, Mr. Yeltsin moved immediately to flush out opportunists and misfits and to improve services.

In a memorable speech in April 1986, he announced that 800 trade officials had been arrested and he went on to attack certain bureaucrats by name. He challenged them to get out of their limousines and ride the buses, to forsake their special stores, restaurants, clinics and apartments, and live life as the ordinary masses did. Only then, he insisted, would they understand why the citizens of Moscow were alienated and unproductive.

Mr. Yeltsin went out among the people, standing in line at stores and listening to popular complaints. He also set out to make life a little cheerier by adding sidewalk cafes and more outside kiosks in the summer. No wonder he began to find favor among Muscovites while inspiring hatred among the bureaucracy.

The outcome might have been different if Mr. Yeltsin had produced a turnaround. While there was some improvement in the general atmosphere, food supplies, particularly vegetables, actually declined. Poor harvests and a lackluster response to new economic initiatives contributed to his problems. But he got no help from the nomenklatura, who set about sabotaging his efforts by restricting supplies of staples. The bureaucrats were determined to bring Mr. Yeltsin down before he brought them down.

> The first sign that the leader's effort to reform society and the economy may fail.

In retrospect, it probably would have been better for Mr. Yeltsin to proceed more cautiously. His inability to produce immediate results was an obvious source of frustration for him. Reflecting his frustration, he complained in August, just as he did again at the fateful Central Committee meeting Oct. 21, that "there is evidently no need to report on achievements, especially and unfortunately since in terms of end results, not very much has been achieved."

Soviet conservatives bitterly oppose such criticism. In the words of Yegor Ligachev, the No. 2 man in the party, "People abroad and even some people in our country tried to denigrate the entire path of the building of Socialism in the U.S.S.R. and to try to present it as an unbroken chain of errors."

Viktor Chebrikov, the head of the K.G.B., is equally disturbed. He has focused on the call for glasnost. In September, he directed his wrath at those who seek "to install political and ideological pluralism" and plant "the virus of nationalism."

What is worrisome about all this is that while the ostensible targets of such attacks are foreigners and Mr. Yeltsin, there is no doubt that the attackers, especially when they rail against democratization, also target Mr. Gorbachev himself.

As recently as Oct. 13, Mr. Gorbachev complained that, "two and a half years, I think, for a revolutionary stage when everything is moving rapidly and developing is a long time: so why don't we have more to show?" Moreover, it was Mr. Gorbachev who had been complaining about the state of the economy and the fact that it "had gone downhill so that it stank."

Mr. Yeltsin was mercurial, unsophisticated and not particularly subtle. Yet his policies and actions were precisely those that Mr. Gorbachev was seeking to stimulate in others. In other words, he was Mr. Gorbachev's point man.

That is why it is disturbing that pressure from the conservatives and the nomenklatura was such that Mr. Gorbachev found it necessary to sacrifice one of his most outspoken supporters. If Mr. Gorbachev holds to his reforms, it is hard to see how he can escape a similar fate. □

Marshall I. Goldman, professor of economics at Wellesley College, is author of a recent book on Soviet economic reform.

ESSAY
William Safire

Finding The 'Key Link'

BEIJING

Too many Westerners are accepting the idea that communism can achieve prosperity by employing a form of controlled capitalism. Buyers of this notion find few sellers, resulting in a wild run-up in the market of political optimism.

In our euphoria, we embrace Deng's rejection of Mao's dictum, "Take class struggle as the key link," the philosophy that caused a generation of turmoil. On the contrary, Mr. Deng decided that production was the key link, and the progress in his decade has been stunning.

The last time I was here was soon after Mr. Deng ousted the Maoist "Gang of Four." On that morning in 1977, the airport had not been expecting a plane, and after a wild scurrying-about, a bowl of noodles was produced for each pioneering Western traveler. Today, the new airport is bustling, immigration procedures are easy, and tourists are whisked through bicycle and auto traffic to high-rise hotels; the giant pictures of Marx and Engels, Lenin and Stalin have been stripped from Tienanmen Square, which now features the smiling face of "Comrade Sanders" and the world's largest outlet for Kentucky Fried Chicken.

> China now could use a dose of political freedom.

Mr. Deng's triumph is this: The Chinese now not only feed themselves well, but export food, a claim the Russians cannot make after 70 years. He has redirected the Revolution so as to unfetter the industriousness and entrepreneurial spirit of the Chinese. At 83, Mr. Deng has now ostentatiously stepped down, taking a group of the old comrades over the side with him, to demonstrate that orderly succession is possible in a Communist state.

Is it? We can be glad to see the relatively good guys in the saddle, but we should not overlook the San Andreas Fault running down the main street of this political system. Because there is no outlet for the expression of opposition — democratic or communistic — seismic pressure is building. Consider three elements:

1. Mr. Deng has reduced the power of the Party in everyday life. Cadres, the loyalists who nosed into every local decision, are being told to stick to high policy and leave operations to practical managers and mayors. Great for efficiency, but of the 46 million party members, half joined during Mao's Cultural Revolution; logic suggests that a great many party activists are resentful of this loss of power's perks, and are eager for a reaction against Mr. Deng's policies.

2. The size of the People's Liberation Army has been reduced by one-fourth; a million men were demobilized (and "waiting for work" is the euphemism many use for unemployment). In Chinese history, the central government usually vied for dominance with regional warlords, and Mr. Deng has effectively cut down the power of the P.L.A.

The generals cannot be happy with that. In all of Mr. Deng's well-publicized stepping-down, the one post he kept was chairman of the military commission, and it seems likely he saw that as a source of potential trouble if left only to Zhao Ziyang, his chosen successor as party chief. In his 70-page speech to the 13th Party Congress, Mr. Zhao devoted two brief paragraphs to the army.

3. Can these guys ride out a bear market? Up to now, Mr. Deng's changes have brought prosperity and a sense of relief to most of the population. Life is less onerous; in the summer heat, millions can aspire to the luxury of an electric fan.

But with prosperity and a necessary relaxation of price controls has come inflation. The Government admits to about 5 percent, but some say it amounts to four times that. Soon a bankruptcy law will be passed, permitting uncompetitive businesses to fail. With free-market pricing comes the old business cycle, perhaps abetted by worldwide recession.

Would such a slump ignite a match in the gas-filled rooms of the party and the army? Nobody knows. Most of the people are still disgusted at the excesses of the Cultural Revolution, and the memory of those terrible days is an argument for stability; but the possibility that the system will revert to its pattern of regular upheavals cannot be set aside.

As a certified longtime "foreign friend" with Nixonian associations, I would advise a dose of political freedom to go along with the economic loosening. That would allow dissidents of right and left to let off steam. But such a course is not part of Mr. Deng's "primary stage of socialism." Neither Beijing nor Moscow realizes that the productive profit motive gives rise to nobler yearnings, and that free-market production cannot long succeed without institutionalized political opposition.

The "key link" is freedom. That is why, with everybody feverishly buying, the political contrarian sells. □

Northrop's Struggle With the MX

By JOHN H. CUSHMAN Jr.

HAWTHORNE, Calif.

DAVID N. FERGUSON peered through a plate-glass window into the pristine room where technicians, clad from head to toe in surgical garb, pieced together the spherical devices that would guide nuclear MX ballistic missiles through their globe-spanning trajectories.

Perhaps it is fitting that this Northrop Corporation assembly line resembles an intensive-care ward. For it is here, near Los Angeles, that a billion-dollar production program is struggling to recover from a crippling, four-year bout of mismanagement.

About 15 basketball-sized spheres were in various stages of assembly, their electronic entrails exposed to a whispering breeze sucking contamination from the room. "December is going to be a good month," predicted Mr. Ferguson, Northrop's group vice president for electronic systems who is in charge of thw MX guidance program.

There are grounds for optimism. In the last several months, Northrop has cut in half the number of units by which it was behind schedule. And while progress has been slow in recent months as Northrop has worked to fine tune its production and testing methods, managers say a backlog of nearly finished units is building. But these improvements did not come on their own: Northrop's managers were prodded into action by Congressional critics and by the Air Force's decision to stop monthly progress payments until the program is back on track. The Air Force also goaded Northrop to perform better by awarding Rockwell Autonetics a contract to become a competing supplier.

Northrop's management is trying to resuscitate the MX guidance program after two years of trauma, when the company fell behind schedule for delivering parts to the Air Force. Despite its gains, Northrop does not expect to be back on schedule until spring, and Air Force officials suspect it will be later.

Others are even more critical. Representative Thomas J. Bliley Jr., a Virginia Republican who sits on one committee investigating the company, said at an Oct. 28 hearing that Northrop had compiled "a sorry record" over the year. "I can only hope that the reports we have received that Northrop has taken decisive actions to remedy these problems are true," Mr. Bliley said.

Other members of the panel, the investigative subcommittee of the House Commerce Committee, are even more skeptical. Citing internal Northrop and Air Force audits that were ignored for years, Representative Ron Wyden, an Oregon Democrat, said at the hearing: "That just strikes me as incredible incompetence."

Representative Les Aspin, chairman of the House Armed Services Committee, said in an interview that despite claims by the Air Force and Northrop that the situation was under control, he wanted more proof. His committee in December will hear testimony from Air Force and Congressional investigators, whistleblowing employees and program officials.

In the meantime, Northrop has suffered financially and in its reputation, facing one accusation after another of poor performance in producing the MX missile's main guidance mechanism.

The Air Force has withheld about $130 million in payments since March to punish Northrop for missing schedules. Members of Congress say the Department of Justice has several criminal investigations underway involving Northrop's role in the MX program. Assertions by Northrop employees of irregularities on the factory floor been published by The Los Angeles Times and CBS's "60 Minutes." The company acknowledged that these whistleblowers are pressing lawsuits, under Federal fraud statutes, that could result in their sharing monetary damages collected by the Government.

Perhaps most ominous, two Congressional committees have said the reliability and accuracy of the MX missile, a mainstay of the strategic nuclear arsenal, are open to serious doubt because of Northrop's conduct.

Long one of the Air Force's most hotly debated weapons, the MX missile, which the Air Force likes to call the Peacekeeper, is also one of the military's most expensive ventures. The huge missile brings together several large contractors: Rockwell, Martin Marietta, Morton Thiokol, and more, doing work valued at tens of billions of dollars. Although Northrop's contribution does not dominate the project in dollar terms, it is among the most critical parts of the program: The MX relies on accurate delivery to underpin the threat of nuclear attack, a factor that makes the missile a key element in the nation's arsenal of strategic weapons. The first missiles are already in silos in Wyoming, and eventually as many as 100 missiles may be deployed.

The Air Force has said the missile's accuracy is beyond question, but has admitted that 11 of the 29 missiles deployed at Warren Air Force Base in Wyoming are not kept on full-time alert because of the Northrop problems. As long as Northrop is behind in deliveries, the Air Force says, some missiles will be kept off alert except in an emergency.

In the financial community, the disturbing publicity surrounding the MX program has led securities analysts to wonder about the prospects for Northrop's other Air Force business, such as its bid in the program to build a new tactical fighter or its role as prime contractor in the top-secret Stealth bomber program. In a time of intense competition for military business, Northrop cannot afford to slip from its position as the nation's 31st-biggest military contractor because of lapses in one of its most prominent projects. The company's annual revenues of $5.6 billion come almost entirely from the Government.

"This scandal is a material handicap for the company," said Wolfgang Demisch, aerospace analyst at the First Boston Corporation, last week. "You don't have to take my word for it; the stock is at 29." (On Friday, it closed at 28½.)

Northrop's share price has declined about 25 percent in the month since the Oct. 19 Wall Street collapse, while the Dow Jones industrial average has risen about 10 percent. Northrop's stock has done a bit worse than the generally poor performance of the military contracting sector, which has been declining because of prospects for cuts in military spending. Despite that, Mr. Demisch said he still has a favorable impression of Northrop management.

Northrop executives insist that in spite of the bad publicity, the company's MX missile guidance production is on the verge of recuperation. While recent changes, notably in the testing of electronic parts, have temporarily crimped production rates, they say the pace of shipments will improve dramatically this winter — a fact they attribute to curative measures taken months ago. It takes about eight months to assemble one mechanism, the officials said.

In March, Mr. Ferguson, a gregarious 62-year-old engineer who relaxes from time to time with a skein of yarn and a sample of needlepoint, was told by his superiors to put other Northrop projects aside and whip the MX guidance program into shape.

"I got my program people together — they were mostly people I'd known for years — and we had a come-to-Jesus meeting," he said, describing the first steps in his effort to revive the program. "I told them quality was first. We needed deliveries, but not as much as quality." Mr. Ferguson also transferred a number of key executives. "It was unpleasant, but necessary," he said.

The company has named Robert G. Schlenzig as the new general manager of the electronics division. He in turn installed new heads of finance, manufacturing and quality control. Mr. Ferguson is doing duty as the MX guidance system's program manager, and had added a new deputy. In all, during the last year Northrop has replaced as many as 30 top executives because of the problems in the MX and other programs, company officials said.

But getting the MX guidance parts on schedule is more than a matter of shuffling executives. Building this device, which is unlike anything else produced anywhere in the world, is a task far more tangled than the bundle of yarn in Mr. Ferguson's briefcase.

The device Northrop makes, under contracts worth roughly $1.6 billion (which included early research work) is known as the Inertial Measurement Unit, or I.M.U. Linked to high-speed computers, it sits in the upper stage of the MX missile, which is designed to carry 10 nuclear warheads and deliver them within a few hundred feet of targets in the Soviet Union or elsewhere. Along the way, the missile would be subject to terrific thrust, to the earth's magnetic fields, to radiation belts in space, to the heat of re-entry, and possibly to nuclear blasts and radiation.

The I.M.U. is designed to withstand these stresses while measuring the forces of motion during the missile's flight and reporting that data to an on-board computer, which compares the calculations with the pre-determined path so that steering mechanisms can correct any drift.

The device weighs 126 pounds. Within a shell made of the metal beryllium, an I.M.U. contains three gyroscopes, three sensors to measure acceleration and an assembly of electronic and electrical parts. The whole shell floats in a fluid flourocarbon, perfectly suspended, allowing even the most minute shift in its position to be detected and analyzed.

Each I.M.U. contains more than 19,000 parts, ranging from microchips barely visible to the naked eye to large metal hemispheres machined, according to Northrop officials, to within a hair of perfection. The parts are not all made at Northrop. More than 500 subcontractors, most of them small businesses, supply components for the I.M.U.

Two factors compounded the difficulties for Northrop and its suppliers from the program's outset. First, few of the parts had ever been produced before. Second, the Air Force needs only 239 finished guidance mechanisms. The Air Force expects eventually to deploy at most 100 MX missiles. Even after tossing in additional guidance units for test missiles and for spare parts, this is small volume.

What makes the job difficult is the fact that Northrop is building so few units. It is hard to automate production in small numbers without wasting money. And the traditional aerospace industry "learning curve," in which performance improves as the pace of production expands, is not as steep. "We are in production, but not with a production line the way most people think of one," said Northro's president, Kent Kresa.

To bring suppliers up to speed, Northrop has established teams to monitor their work and lend help when needed. "That's what we should have done in 1983 —, as far back as that," Mr. Ferguson said.

Congressional investigators say much of the blame for allowing Northrop and its suppliers to lose control lies with the Air Force, which set too ambitious a pace for the program.

"Northrop was behind schedule before it even started," said a report published in August by the House Armed Services Committee. The start of production was delayed as Congress debated whether the missile was needed, but the Air Force did not compensate by delaying the deployment date. And the Air Force continually pressed the company to speed production even though it was unclear whether the MX missile program would survive repeated assaults on Capitol Hill.

At the time, the Northrop Electronics Division was growing rapidly, from a research house of 500 people to a production facility employing 10 times that many. Mr. Demisch of First Boston said he believes Northrop's managers may have slipped up on the MX guidance system in part because they were distracted by other problems in the early 1980's, when business was booming.

Northrop had just been named prime contractor for the Stealth bomber, a program worth several times the value of the MX guidance system. The company was spending hundreds of millions of dollars of its own money developing the ill-fated F-20 fighter, a jet that was meant for export but was never ordered by any foreign nation.

At the time, though, the system was still being developed by engineers, and the company had yet to confront what is, even with simpler devices, a vexing task: moving from laboratory benches to full production.

From the beginning of production, the Air Force saw problems with Northrop's management, the committee found. In June 1983, and the next year the military representative at the plant found problems in the purchasing system and ordered changes. In August 1985, an audit by the Air Force plant representative cited "serious system deficiencies as well as a lack of effective progress."

By October 1985, the head of the Air Force ballistic missile office, Maj. Gen. Aloysius Casey, was angry enough at the delays to complain to Northrop, which had yet to deliver its first product, due that month.

The first I.M.U. finally was delivered — 203 days late — in May 1986. But months before the first delivery, the company was rated "marginal" in an Air Force audit of its engineering, quality assurance and product integrity. In April 1986, payments to Northrop were reduced as an incentive to get the shipments back on schedule. In March 1987, even as further contracts were being signed, an Air Force evaluation of Northrop's compliance with production rules found that an "apparent lack of commitment to discipline by the work force is a serious problem that needs top management attention." (Further production-line audits, scheduled in the next few months, will be critical in determining whether Northrop's changes have taken hold, company officials said.)

As allegations of mismanagement and fraud have mounted, Northrop officials have found themselves confessing errors in a series of interviews and in Congressional testimony. "I will admit we didn't do enough, we didn't do it fast enough," said Frank W. Lynch, vice chairman, in a hearing before the Energy and Commerce Committee on Oct. 28.

In fact, as problems meeting delivery schedules mounted, Northrop's management allowed the following improper practices, according to a report by the House Armed Services Committee:

- The company falsely certified that heat exchangers, which are tubes used in cooling the device, had been pressure-tested at its plant to demanding specifications.
- It accepted a flexible electrical harness from a supplier that was improperly produced, then billed the Government for the cost of reworking the part at Northrop's facilities.
- It allowed time cards showing its labor hours to be improperly filled out or altered, leading to overcharges estimated to be between $1.5 million and $14 million.
- Managers allowed the division to set up shell corporations that violated purchasing practices to speed purchases of parts for test equipment.

The latter is perhaps the most embarrassing allegation. Northrop employees have charged that rush-order parts were not tested or certified when the company purchased them through the shell corporations, improperly dodging the paperwork and quality controls that slow normal procurement. According to the House Armed Services Committee, there is still some suspicion that MX components, not just factory equipment, were purchased in this irregular way. Air Force officials declined to comment on any allegations that are subject to continuing investigation by the military or by legal authorities.

According to the House Armed Services Committee report, the company's production and testing practices "have raised serious questions of confidence in the reliability and performance of deployed MX missiles."

Both the company and the Air Force vigorously dispute this assertion, particularly the claim that missiles already deployed may not be accurate. They say Congressional critics are misreading the data from flight tests to reach conclusions unsupported by statistics.

They cite Air Force data collected from 17 flight tests of the MX, from dozens of simulated launchings using high-speed sleds, and from repetitive, detailed tests of individual components and completed systems.

A study of accuracy and reliability done this summer supported Air Force assertions that the MX is reliable and accurate. The study, by an Air Force Scientific Advisory Board made up mainly of independent scientists, was published in October.

The board went into detailed criticism of Northrop testing practices, but its recommendations were mainly technical. It found "no evidence of an out-of-control condition" in testing, and said engineers "were not being pressured" to alter tests simply to insure that more parts would pass inspection. Most important, the panel said the need for more discipline in the ways tests were being run "is indicative of a management culture issue rather than the lack of engineering competence."

Brig. Gen. Charles A. May Jr., a top Pentagon official, said he hopes to have all MX missiles in Wyoming on full alert by mid-1988. Soon after, he expects Northrop deliveries to catch up with contracted schedules. The incentive for Northrop to meet contract terms, he said, is simple: "When you deliver, we pay."



Northrop workers in Hawthorne, Calif., assembling the MX missile's central guidance components.

The Economy

WEEK IN BUSINESS

Court Upholds Winans Verdicts

R. Foster Winans lost his appeal in the Supreme Court, which unanimously upheld the mail and wire fraud convictions of the former Wall Street Journal reporter and two other men. In 1983, Mr. Winans was a writer of the "Heard on the Street" column, a Journal feature that often influences stock prices. Mr. Winans supplied his associates with advance knowledge of his columns' contents and they traded securities based on that knowledge, making profits of $690,000. The Court said the trading violated statutes covering mail and wire fraud, but it deadlocked, 4-to-4, on whether securities laws were violated. Those convictions stand, but no precedent was established. That left some ambiguity about what constitutes insider trading, and the S.E.C. submitted to Congress a proposal to more precisely define the offense. Some lawyers said the case would have its most far-reaching implications in the area of employees' handling of information companies consider confidential.



Associated Press

R. Foster Winans

Home building fell in October, dropping 8.2 percent from the September level. Rising mortgage rates were assigned the blame. Interest rates have come down since the stock market plunged in mid- October but few builders expect a boom because mortgage rates remain near 11 percent. The October numbers worked out to 1.51 million units being built on an annual basis. Last March, when 9 percent mortgages were available, the rate exceeded 1.8 million.

A $1.3 billion bailout of Vernon Savings and Loan in Dallas is being mounted by Federal regulators. The size of the aid package is a record for an institution insured by the Federal Savings and Loan Insurance Corporation. Vernon's net worth was a negative $716.9 million as of Sept. 30.

Panic selling hit the peso after Mexico's central bank quit propping up the currency's price. The peso fell nearly 60 percent in one day in the free-exchange market used mostly for tourism and commercial transactions near the United States border. About 75 percent of foreign-exchange transactions occur at the official "controlled rate," which the Government held relatively steady. The central bank's move was taken to preserve Mexico's foreign reserves, which have been built to a record $15 billion. The reserves are threatened as investors flee Mexico's annual inflation rate of 140 percent and steep losses in Mexican stocks.

Sony will buy CBS Records for about $2 billion. The sale completes CBS's efforts to trim itself back to a broadcasting operation. The deal means that Sony, a leading maker of musical machinery such as stereos, will own the world's largest records operation with some of the biggest stars, including Michael Jackson and Bruce Springsteen.

The markets kept their eyes on the budget talks in Washington. The credit markets had a dull week as traders waited to see if an agreement could be reached by the midnight Friday deadline and if the package of cuts would be enough to allay worldwide concerns about American fiscal policy. On the stock market, increasing skepticism about the Washington developments produced a 41-point drop in the Dow Jones average on Thursday but word late Friday that an accord had been reached turned the situation around and the Dow rose 18 points for the day. For the week, the Dow fell 21.38 to 1,913.63.

Inflation remained moderate in October, with the Consumer Price Index rising four-tenths of 1 percent. Energy costs dropped nine- tenths of 1 percent, but food costs were up three-tenths of 1 percent and the remaining categories gained five-tenths of 1 percent. On an annualized basis, inflation is running at 4.8 percent.

Industrial production rose six-tenths of 1 percent in October, and the nation's factories, mines and utilities operated at 81.3 percent of capacity.

The F.T.C. opposed the merger of Owen-Illinois and Brockway, on grounds that a combination of the two glass-container makers would be anticompetitive. The Federal Trade Commission cited similar reasons for opposing the merger of Dun & Bradstreet and Information Resources. The decisions were taken as a sign that regulators were moving away from the relatively relaxed antitrust policies that have prevailed in the Reagan Administration.

A prosecution of Donald Trump was also urged by the commission, which accused the real estate developer of illegally using third parties to purchase stock in his takeover targets. Mr. Trump said the accusations were "total nonsense."

Harcourt will sell its magazine and school supply operations for $334.1 million to a management group. Before stock prices plunged, Harcourt had thought the units might bring $350 million to $500 million.

Volkswagen will close its assembly plant in western Pennsylvania sometime next year, leaving 2,500 workers unemployed. The plant produced its first VW Rabbit in 1978, but had since switched to making the Golf and GTI models, which were selling poorly.

The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED NOVEMBER 20, 1987
(Consolidated)

Company	Sales	Last	Net Chng
GTE	17,436,800	36½	+ 2⅝
Nia M P	16,854,600	12⅝	– ⅞
AT&T	10,187,300	28¼	– 1⅛
IBM	9,455,400	117¾	– 3⅞
Gen El	8,749,100	45¼	– ¾
Exxon	7,601,500	40¼	– ⅜
E Kodk	6,987,600	47¾	– 1⅝
Cnll P S	6,646,900	20⅞	...
Cons Ed	6,444,800	43½	– ⅛
Citicp	6,311,700	19⅛	– ⅞
Ald Sgnl	6,160,500	30¼	+ ⅞
A Exp	6,043,500	24	+ ⅛
Potm E	6,033,300	21⅞	– 1⅛
McDerl	5,710,000	16	...
Mobil	5,490,400	37	– ¾

MARKET DIARY

	Last Week	Prev. Week
Advances	701	820
Declines	1,268	1,135
Total Issues	2,180	2,175
New Highs	7	7
New Lows	177	147

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	817,248,300	43,036,042,310
Same Per. 1986	860,596,200	31,852,080,130

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				
Indust	166.4	157.3	161.5	–2.46
Transp	118.8	113.0	114.8	–2.63
Utils	70.2	68.5	69.2	–0.58
Finance	120.1	114.6	116.2	–2.62
Composite	139.3	132.5	135.5	–2.04
Standard & Poor's				
400 Indust	285.9	269.1	276.8	–4.31
20 Transp	191.3	180.8	184.5	–3.48
40 Utils	106.7	104.0	105.5	–0.33
40 Financial	23.4	21.9	22.3	–0.64
500 Stocks	249.5	235.8	242.0	–3.64
Dow Jones				
30 Indust	1979.2	1853.6	1913.8	–21.38
20 Transp	762.7	711.1	726.2	–19.26
15 Utils	183.6	177.8	180.1	–1.76
65 Comb	731.7	687.9	706.2	–10.55

The American Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED NOV. 20, 1987
(Consolidated)

Company	Sales	Last	Net Chng
TexAir	2,080,900	11⅞	–1⅛
NY Times	1,697,000	27	–2½
LorTel	1,659,800	9¾	+ ⅜
BAT	1,444,200	7¾	– 3-16
WangB	1,426,900	18⅞	– ⅛
EchBay	1,377,100	18⅞	– ⅛
GCdaR	1,148,600	10⅝	–2⅛
Amdahl	1,101,100	29⅛	– ½
Telesph	1,049,100	4½	+ ⅛
ICH	737,900	8	+ ⅛

MARKET DIARY

	Last Week	Prev. Week
Advances	289	360
Declined	610	520
Unchanged	132	150
Total Issues	1,031	1,030
New Highs	2	3
New Lows	98	99

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	55,580,135	3,154,671,695
Same Per. 1986	56,029,805	2,672,347,645

هكذا من الأصل

Still waiting

Martin Gilbert

AMONG THOSE former Prisoners of Zion still refused exit visas is Leonid Volvovsky, a Hebrew teacher of distinction (entirely self-taught) and a man of deep religious conviction, who has suffered considerably for his beliefs.

Volvovsky first applied to live in Israel in 1974, when he was 32. From that moment, he was thrown out of his job as a scientist and denied any chance to continue his professional career. In 1980 he was refused permission to remain in Moscow, and forced to move to the city of Gorky.

One of the accusations levelled against Volvovsky after his arrest in June 1985 was that he had known Anatoly Sharansky and Yosef Begun. On the third and final day of Volvovsky's trial, the judge asked him if he wished to seek the court's "pardon." Volvovsky replied that he would seek God's forgiveness for the judge, the public prosecutor, and all who had participated in his "groundless conviction."

Volvovsky's courage in the courtroom, and his refusal to denounce his wish to live in Israel, was typical of the courage of the whole Jewish emigration movement. To show solidarity with a man many had not known, Jews travelled from Moscow to Leningrad to be present outside the courtroom, and to support Volvovsky's wife, Mila.

Volvovsky was sentenced to three years in labour camp for "anti-Soviet agitation and propaganda." His sentence was announced three weeks before the Geneva summit between President Reagan and Chairman Gorbachev, and at the time when Soviet Foreign Minister, Eduard Shevardnadze, was in New York for the 40th anniversary celebrations of the United Nations.



Mila and Leonid Volvovsky

WHILE VOLVOVSKY was a prisoner in Siberia, Mila fought with exceptional courage to alert those in the West who were concerned with the deep injustice of his sentence. In a powerful appeal to the International Committee of the Red Cross in Geneva, she reported how, in labour camp, her husband had become "physically and spiritually exhausted." She asked the Red Cross to "help him to be united with our people, to pray together with all Jews at the Western Wall in Jerusalem."

Mila sent this appeal to the Red Cross in November 1985. Three months later, while her husband was still in labour camp, their friend Sharansky was allowed to leave the Soviet Union. That same day, Mila Volvovsky sent a telegram to Sharansky in Jerusalem: "Your heroism, Tolya, gave us strength to live during these long years. Our happiness today is endless."

At considerable risk to her own health, Mila Volvovsky worked indefatigably on behalf of her imprisoned husband, frequently making the overnight journey by train from Gorky to Moscow to enlist the support of Western visitors. She also sought to avail herself of the rights of a prisoner's wife to visit her husband in labour camp at regular intervals. But for 21 months, neither Mila nor their daughter Kira was allowed to see him. "It was a very hard period in our life," Kira wrote in a recent letter to her friends in the West.

Then, in March this year, as part of the general release of Jewish prisoners, Leonid Volvovsky was allowed to return to Gorky. Within a month of his return, he had applied to leave the Soviet Union for Israel.

To the surprise of his many friends outside the USSR, Volvovsky was refused his exit visa yet again -- the reason given was "knowledge of state secrets." But, wrote Kira Volvovsky in her recent letter, "my father has not worked in secret plants for more than 15 years. And we have been refused permission until 1992, another five years."

Such was the situation this July. Two months later, when Kira Volvovsky reached the age of 19, she made an independent application to leave the Soviet Union, as many of the children of long-term refuseniks have begun to do.

"It is very hard for me to wait any more," she explained in her letter, adding: "It is very hard for me, because I can't work (I don't have a job). I want to go to Israel as quickly as possible. I want to begin a normal life. I want to study, to work, and to see my future children happy and free, and born in Jerusalem."

In the second week of November, Kira Volvovsky was told that she could leave the Soviet Union. All those who know her and her parents will be delighted by this news.

It would be an even more impressive indication of the extent of real change in the Soviet Union if Leonid and Mila Volvovsky, who have now been refuseniks for 13 years, could also receive their exit visas. What better day for such a result, one asks, than December 7, the first day of the Reagan-Gorbachev summit.

Training your dog

It's all a question of timing

Furs, fins and feathers
by D'vora Ben Shaul

THE FIRST thing to remember when training a dog is that we do not, in fact, teach it to do anything that it doesn't already know. We teach it to do what it knows only at the appropriate time.

When I used to give talks to schoolchildren about kindness to animals, I would take Simba, a curly-haired flop-mop of a dog with me. I would put a toy telephone on a low table and make it ring. Simba would run to the telephone, lift the receiver in his mouth and lay it on the table. He would then bark into the receiver three times and replace it by using his mouth again. The children were fascinated by how much I had taught him to do.

In fact, every dog, even a wild one, can lift, and carry things in its mouth, and bark. I simply taught Simba to perform perfectly natural actions in a specific sequence.

Bearing this in mind, every dog knows to sit, lie down and go to a certain place. What we want is to teach the dog to do so on command.

Every dog should have its own, private "place." It may be a basket or box or perhaps an old rug or blanket in some corner where it does not interrupt the normal flow of household traffic. If the dog likes some special place and that place is acceptable to you, then by all means put the blanket or basket there. If not, choose a place and lead the dog to it, encouraging it to lie there. Each time you guide the dog there, pat the area with your hand and say "place." The dog will learn the word very quickly and will soon go there whenever you say "go to your place." Never send the dog to its place without an encouraging pat; the dog must not see going to its place as a punishment or a banishment.

Teaching a dog to sit is not a problem. Put your hand on the dog's back just above the hip bones. Press gently on both sides while saying "sit." When the dog sits, pet it and encourage it. I personally do not use food to reward a dog, only praise and attention. Repeat this daily a number of times until the dog sits on command without you having to push on its back. This usually takes only a few days. Remember to always praise the dog for proper responses, even after it has learned its lesson. This is one of the most important lessons of all and many a dog's life has been saved when the owner called "sit" as the dog was about to run into a road.

The next important thing a dog needs to learn is to lie down. This, together with sitting, is an indispensable matter when you are trying to groom a dog's coat, treat a wound or apply tick and flea powder. Tell the dog to "sit" and when it does, grasp it's front paws gently and draw them forward until the dog is lying down, at the same time saying "down." Repeat this, alternating it with walking at heel, sitting and sending it to its place.

Don't be surprised if the minute it is lying down and you say "good dog" or some word of encouragement, the dog immediately gets up. This is natural and there is no point in trying to teach it to "stay" at this point. I do not try to teach a dog to "stay" in its place for a lengthy period until it is fully grown. Puppies do not have the attention span for this to be accomplished with ease.

However, once the dog is grown and knows to lie down or sit on command, then it can be taught to remain in that position for some time. Start in the dog's "place," by telling it to lie down. Do not, at this point, praise the dog, but start to walk away backwards, keeping your eyes on the dog with your hand held up in a "stop" gesture. If the dog starts to get up, say "down;" when it again lies down, tell it "stay" and continue to back away. Do not, at first, try to go more than a few metres away and do not ask the dog to "stay" for more than a minute or so, but repeat the exercise in different places -- in the yard, garden or neighbourhood.

Continue this lesson for a few days, even weeks, each time requiring the dog to "stay" for longer periods as you go further away. After the dog can "stay" for three or four minutes, try going around a corner so that you're out of sight but where the dog can still hear your command. The important thing at this point is to always return the dog to the down-stay position if it gets up to follow.

It is also essential that the dog learns at this point that although you may go out of sight, you will always come back to get it. Once convinced of this the dog will feel secure when left alone and told to stay. If you are in a strange place and need to leave the dog for a few minutes, make sure you tie it securely, even though you have ordered it to stay. It also helps to give the dog some item of yours while you are gone. A handkerchief, scarf, whatever smells of your personal scent will do.

Columbus's financier

Patricia Murray

IN 1992, Spain will celebrate the fifth centenary of the discovery of America, and the Autonomous Government of Valencia has just held an international congress as part of the preliminary celebrations for the event.

The symposium, entitled "Luis de Santangel and his Period," brought to Valencia, for a few days, important professors and researchers of the Jewish families living in Spain in 1492 who went under the name of *conversos* or converts. The Spanish Inquisition had compelled Jews to convert or be expelled, and many opted for conversion -- at least externally -- to avoid burning at the stake.

Luis de Santangel was one such *converso*. His importance lies in the fact that it was he who financed Christopher Columbus's expedition to the New World. He had met Columbus for the first time in 1486 and used his influence as scribe to the Catholic monarchs Ferdinand and Isabella to interest them in financing the discovery. The royal couple had no money, their crown jewels having been pawned in Valencia. This city had lent them 29,000 florins against a necklace, and 35,000 florins on Queen Isabella's crown in 1489, and the money had been used to capture Baza.

The king and queen accepted a loan of 17,000 gold florins from Luis de Santangel, who handed it over to Columbus enabling him to set out with his three ships to what he thought was India. When discoverers returned with their booty they normally divided the spoils into three parts, with one portion for the captain and crew, one for the rulers of their country, and one for themselves. But Columbus, on his return, divided his treasure into four parts, giving one to the converted Jew, Luis de Santangel, his trip's financier.

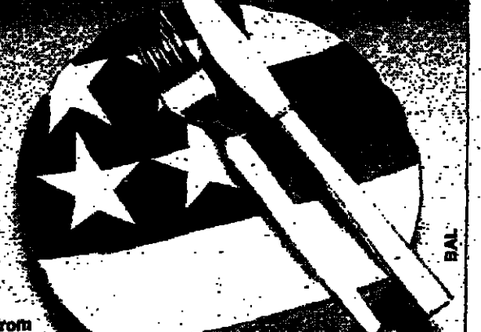
President Joan Lerma of the local government told the symposium participants that research in connection with the celebrations "should lead us to know the past better," and to understand Spain's future relationships with other peoples.

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...and we're throwing a great Thanksgiving party to prove it on THURSDAY, NOVEMBER 26th

AMERICAN COLONY HOTEL

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$19 plus VAT per person. Reservations 282421.

From 7.30 p.m. $23 plus VAT. Children up to 6 years free, and from 7-12 years 50% reduction.

Price in dollars for tourists

BAL

Impressive opening



MUSIC REVIEW

THE FOURTH INTERNATIONAL GUITAR FESTIVAL. David Russell (Tzavta Theatre, Tel Aviv, November 18.) Works by Aguardo, J. S. Bach, Grieg, Dowland, Domeniconi, Albeniz, Pujol.

WITH DAVID RUSSELL on the stage, there could hardly have been a more impressive opening of the festival. If one needed further proof that the guitar has become a fully emancipated instrument, interpreting serious music and relaying interpretative means just like any other instrument, Russell proved it.

Russell's touch is refined and his style polished. His tone modulates constantly, creating a great range of colours, shades and nuances. He avoids consistently percussive effects, and his melody sings out with a full, rounded voice.

Russell's interpretations lack a touch of pensive contemplation their unity of conception and coherence of progressing phrases plus the comprehensive perfection with which he brings out a piece seem more than a gracious compensation for what is absent.

Russell's playing is thoughtful without being serious to the point of pedantry. He combines organization and discipline with a variety of musical expression. For him, intellectual insight and a strongly felt musical content go hand in hand.

BENJAMIN BAR-AM

BASKETBALL

Big game in narrow confines

By DON GOULD
Post Basketball Reporter

TEL AVIV.-- If you don't already have a ticket for tonight's much-anticipated basketball derby between Hapoel Tel Aviv and Maccabi Tel Aviv, forget it -- you don't have a chance of getting in.

The game, a third round match in the State Cup, has been sold out from the day that the venue was announced. Hapoel Tel Aviv were drawn at home and they have decided -- flying in the face of popular demand -- not to take it out of the confines of their home court at Ussishkin Stadium (capacity 2,500) and to move it to the more spacious Yad Eliyahu Sports Palace where the capacity is 10,000.

The move would have been far more profitable for the club, but the management were equally aware of the fact that Yad Eliyahu is Maccabi's home court. Although they vacillated for as long as they could, probably to try to gain a psychological edge on their more fancied opponents, they finally opted for their own court. The reckoning clearly was -- this year's Hapoel Tel Aviv team is one of the best they have ever fielded, so why venture into the lion's den to try to beard the lion?

When the game finally comes Hapoel face a rather different problem. They are coming off two disappointing games. Until they got to Kfar Hamaccabiah two weeks ago they were disposing of allcomers with alacrity but then they were upset in overtime by Maccabi Ramat Gan. Last week they returned to Ussishkin where they duly beat Hapoel Haifa but rather unconvincingly.

Coach Moshe Weinczantz must surely be worried that his squad has reached this all-important game not quite as ready as they really ought to be.

Maccabi, on the other hand, are still undefeated and have been improving with every game. Having absorbed a number of new players and also welcomed back as coach Ralph Klein they had at first a major adjustment problem. Early in the season they were winning games, but struggling against mediocre teams. In recent weeks they have begun to jell and appear to be in top form for tonight's encounter.

But derby games generally spark an extra something into a team's make-up so Hapoel are not to be considered easy meat.

As a special arrangement for all those that couldn't get tickets for tonight's game, the game will be relayed live by closed circuit television to the Cinerama Hall.

Also on tonight's card of third-round State Cup matches:
Elitzur Netanya v Betar Tel Aviv
Hapoel Haifa v Elitzur Ramle
Tomorrow:
Hapoel Nahariya v Hapoel Jerusalem

Hapoel Galil Elyon's Nadav Henfeld sent his team into the Cup semi-finals last night with two true throws from the foul line with 34 seconds remaining. Basekts which gave Galil a slightly unexpected 71-70 victory over Hapoel Holon in Holon.

Desi Barmore trying to push Holon back in front missed from the corner with 10 seconds remaining and Galil hung on for the win. Henfeld top scored for the visitors with 19 points Kenny Orange hitting 16 for Holon and Niv Bugin 15.

TENNIS

Opportunist Cash comes back, wins in five

JOHANNESBURG (Reuter) - Wimbledon champion Pat Cash fought from behind with a brilliant barrage of power tennis and beat Brad Gilbert over five sets to win the South African Open yesterday.

The Australian top seed's 7-6, 4-6, 2-6, 6-0, 6-1 victory in the three-hour nine-minute match virtually guaranteed him a place in the prestigious Masters tournament in New York next month.

Cash, 22, looked like crashing to an ignominious defeat when he dropped the second and third sets, but he rattled off 12 of the next 13 games to collect the $46,400 prize.

He was masterful over the last two sets, smashing winners at the net and firing passing shots by Gilbert whenever the American approached the net.

Cash said the final two sets were "As good as I can expect to play. "I decided I was not going to lose. So I really started go for my shots. Then I got on a roll and things went better and better," he said.

Gilbert made no excuses about losing. "It's an opportunistic game, and Cash was the opportunist today."

Cash, who has come under fire from anti-apartheid groups for playing in South Africa, said he had no regrets about coming here.

"I played well and won the tournament. I can't be much happier than that," he said.

Cash announced he would pay for two South African juniors, one black and one white, to visit him in Australia for three weeks next year and be trained by his coach, Ian Barclay.

Gilbert matched Cash's offer by inviting two young South African players to join him in the United States.

Jack Leon adds: Amos Mansdorf who was beaten by Cash in the semi's this weekend travelled to Itaparica in Brazil for the $525,000 Grand prix event there. He will be seeded fifth behind Gomez, Gilbert, Argentine Martin Jaite, and Spaniard Emilio Sanmchez.

At the $1 million Virginia Slims championships in New York, top-seeded Steffi Graf and her doubles partner, No. 6 Gabriela Sabatini, set up an all teen-age final with victories on Saturday in the semi-finals at Madison Square Garden.

Graf, 18, beat West German countrywoman Sylvia Hanika 6-1, 6-4 in the first semi-final while 17-year-old Argentine Sabatini followed with a 6-3, 4-6, 6-3 win over eighth-seeded Manuela Maleeva.

Shilton celebrates with a clean goalmouth

DERBY (AP) - England's veteran national team goalkeeper Peter Shilton celebrated the 1,000th club appearance of his career by keeping a clean sheet yesterday as Derby County beat Chelsea 2-0 in the english first division Sunday fixture.

But he had some luck, diving the wrong way in the 18th minute trying to save Gordon Durie's penalty for Chelsea. Instead, the ball struck the post at the other end of the goal, and stayed out.

The result did not affect the leading placings in the first division standings.

In a third division match, Port Vale and Blackpool drew 0-0.

Jansher wins Swiss Masters

SCHLIEREN (Reuter).-- Pakistan's world squash champion Jansher Khan beat Australian Chris Dittmar 9-7, 9-5, 9-3 to win the $65,000 Swiss Masters yesterday and said he felt the victory would earn him the world's number one ranking.

Third-seeded Jansher beat his compatriot and current world number one Jahangir Khan, the top seed, on Saturday in a gruelling five-game semi-final lasting two hours and 15 minutes.

Ferdinand noses out Alysheba in Breeders' Cup

INGLEWOOD, California (AP).-- Ferdinand and Alysheba, two Kentucky Derby winners trained by a couple of old buddies, wrote a movie-script finish to the fourth annual Breeders' Cup on Saturday at Hollywood Park.

The two battled through the stretch run of the $3 million Breeders' Cup classic, with Ferdinand, the 1986 Derby winner, winning by a nose over Alysheba, who won the Derby this year.

NHL -- NY Islanders 6, Philadelphia 4; Montreal 2, New Jersey 1; Washington 4, Hartford 3; (OT)Calgary 4, Pittsburgh 3; (OT)Los Angeles 6, Toronto 6; Boston 7, Minnesota 5; St. Louis 4, Vancouver 1.

NBA -- Boston 107, New Jersey 97; New York 99, Golden State 91; Atlanta 104, Houston 94; Cleveland 101, Philadelphia 88; Detroit 144, Chicago 132; San Antonio 120; Utah 119; Denver 97, LA Clippers 91; Dallas 103, Sacramento 96; Seattle 124, Washington 103.

CRICKET -- England beat Pakistan by 98 runs in the third and final one-day international in Peshawar yesterday.

SCORES: England 236 for 8 (Gooch 57, Broad 66, Gatting 53, Qadir 3 for 49), Pakistan 138 all out in 31.5 overs (Salim Malik 52, Foster 3 for 28).

BELGIAN SOCCER -- This weekend's games: Antwerp 5, Cercle Bruges 2; Mechelen 1, Ghent 0; Charleroi 3, Winterslag 2; Cleb Bruges 2, Beerschot 4; Kortrijk 1, Anderlecht 1; Racing Jet 1, Beveren 1; Lokeren 1, Waregem 2; FC Liege 4, Molenbeek 0; St. Truiden 1, Standard Liege 1.

Antwerp lead the table with 24 points from 15 games, Eli Ohana's Mechelen are in second place two points behind.

Second string players follow Amos' path to SA

By JACK LEON
Post Sports Reporter

TEL AVIV. -- Up to 10 of Israel's top 20 tennis players, including Shlomo Glickstein, are expected to compete in all or part of the five-tournament South African ATP Challenger Series Circuit, worth a total of $125,000 in prize money. Four of them, Yoram Baron, Oren Mottevassel, Menashe Tsur and Tomer Zimerman began their challenge in the series opener in Bloemfontein yesterday.

Referring to the recent Israel Foreign Ministry appeal to the local Tennis Association to disuade leading players from competing in South Africa, 21-year-old Baron told me on the eve of his departure for Bloemfontein: "We are going to South Africa to play tennis, and politics does not come into it at all. The long Challenger Circuit there offers us a great opportunity to win computer points and perhaps earn some money.

"The Republic's Challenger Series is quite rightly a major attraction to young players trying to break in to the ATP world rankings. Challenger events are usually restricted to just one annual meet in a given country (as in Jerusalem) and the ATP rarely holds a full circuit in this category in one country - let alone as many as five, as now in South Africa.

The computer points to be won in a single Challenger tournament are about double those at stake for the whole of a $20,000 three-tournament plus Masters satellite circuit like the one currently taking place in Israel. Moreover, Challenger Circuit prize money is up to five times greater than in a satellite series.

Other young Israelis due to go to South Africa shortly include Adi Kremer, Michael Daniel and Haim Zion. Shlomo Glickstein - a regular competitor in the Republic for the past decade - plans to join the Challeger Series there as soon as he has recovered from the painful ankle injury which has sidelined him for the past 10 days.

At home, Ashkelon's ITC courts are this week hosting the third leg of the men's and women's pro-tennis satellite circuits, with play starting today at 10 a.m.

Woosnam wins World Cup of Golf for Wales

KAPALUA, Hawaii (AP) - Wales' Ian Woosnam and David Llewellyn outlasted Scotland in a two-hole sudden-death playoff yesterday and brought their nation its first triumph in the 33rd World Cup of Golf.

Woosnam, by far the outstanding individual in the 32-nation competition, and Llewellyn each made two playoff pars in driving rain and gained the trophy when Sam Torrance missed a par putt .

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ARIELY

Boesky's Guinness connection

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. – A year ago this week, Ivan Boesky opened a can of worms that seem set to go on wriggling until 1989 at least.

As part of a settlement deal with the U.S. Securities and Exchange Commission (SEC), Boesky, Wall Street's most prominent financial risk-taker, divulged that earlier in the year he had bought shares in a rather dodgy support operation mounted by the Guinness brewing giant, a £200 million operation that had enabled Guinness to secure the £2.5 billion takeover of the Distillers drinks group.

Boesky has earned himself the nickname "The Tenor" for his co-operation with the SEC. But even his singing about the Guinness affair did not prevent the investigating authorities from imposing a $100 million fine on him for insider dealing, payable from his own cash and assets.

The Boesky affair sent tremors through Wall Street and, inevitably in this computer age, through the international financial community as well. In recent weeks, of course, the tremors have reached earthquake proportions, with Wall Street finally taking stock of the appalling U.S. trade figures, sending the bears rampaging on markets worldwide.

In a financial climate dominated alternately by fear and greed, Boesky, Guinness and now the U.S. budgetary crisis have combined to make 1987 a pretty bleak year for share markets, and nowhere more so than in Britain.

THE GUINNESS affair has sapped market confidence here because it falls into such a grey area. Although the Companies Act states unequivocally that it is "illegal for a company to give any form of financial aid to purchasers of its own shares," this hardly reflects accepted city practice.

The Theft Act, under which all the main protagonists face charges, has never before been used in such a context, and the dashing public style in which the Police Fraud Squad made its arrests stands in marked contrast to the Department of Trade and Industry's record of timidity in facing up to city crime.

Even the gross UK banking abuses of the early Seventies led to few prosecutions and no serious penalties. And the Department of Public Prosecutions was conspicuously reluctant to bring charges in a whole series of recent insurance frauds.

So Guinness, to put it mildly, has got the city entrepreneurs worried. They are no longer quite sure about what they can and cannot get away with, and in such a climate, naturally, most of them would rather wait and see than deal.

Certainly Gerald Ronson, the Heron Group boss charged with, among other things, the theft of some £6 million from Guinness, never for a moment believed that his 1986 share purchases would bring him before the magistrates at Bow Street.

When returning the money he had been paid for supporting Guinness shares, Ronson wrote that the support operation "did not seem to me at the time to be in any sense unusual or sinister."

The unprecedented use of the Theft Act has led some legal experts to suggest that the Fraud Squad may have acted precipitously, and lawyers for Ronson's fellow defendants – ex-Guinness chairman Ernest Saunders, financier Sir Jack Lyons and merchant banker Roger Seelig – have stated that they intend to have the case against their clients thrown out at next April's committal stage.

SOME ANALYSTS see the dark finger of political expediency moving behind the Guinness affair, suggesting that Saunders' arrest – just prior to the summer general elections – was part of a concerted Conservative Party effort to show that Margaret Thatcher is not soft on city fraud, and that the pin-striped entrepreneurs are not being allowed to get away with murder.

There is, of course, the small matter of Saunders, Ronson, Seelig and stockbroker Tony Parnes – now awaiting extradition from Los Angeles – all being Jewish. But while the Jewish press here has devoted much column space to this interesting fact, the national media has hardly mentioned it, apart from a rather curious article some weeks ago in *The Sunday Telegraph* that is now the subject of a Press Council investigation.

More significant than their shared religion is the fact that Saunders, Ronson and company have never quite been part of the City Establishment. Saunders annoyed many with his rapid rise to the helm at Guinness, Ronson is disliked for his aggressive deal-making, Seelig had long been regarded as pushy and overly ambitious, while Parnes's nickname "The Animal" speaks for itself.

If the lawyers do not succeed in having the cases thrown out next April, a date for a joint trial of all Guinness defendants will probably be set for summer But with the arduous process of Parnes's extradition only just getting under way, it is unlikely that the judges will be troubled much before 1989.

By then, one imagines, the man who set the whole ball rolling, 50-year-old Ivan Boesky, will have been sentenced for insider dealings to which Guinness was but a footnote. His final court appearance has already been postponed several times, allowing him the opportunity to read up on his heritage at New York's Jewish Theological Seminary, of which he has been such a munificent benefactor.

On December 18, Boesky faces a maximum sentence of five years in jail and a further $250,000 fine. The bit-player's role in Guinness will be over.

But for Saunders, Ronson, Lyons and other major protagonists yet to be arrested, this affair still has an awfully long way to run.



Hammer plans role in USSR joint venture

MOSCOW (Reuter). – U.S. oil tycoon Armand Hammer said last week he plans to participate in the Soviet Union's biggest joint venture with western companies.

Hammer, 89-year-old chairman of Occidental Petroleum Corp, told a news conference here that Occidental, along with Marubeni Corp. of Japan and Montedison Spa of Italy, will work with the Soviet oil ministry to build a six-billion-dollar chemical complex. The complex, which will process natural gas liquids and sulphur produced near the Caspian Sea, will take up to three years to build.

Hammer, who has had close contacts with the Soviet Union since the days of Lenin, said the project "will combine the great natural resources of the Soviet Union with western technology."

Details would be worked out with the oil ministry by January, he added.

The potential partners have already agreed that at least 50 per cent of the thousands of tons of plastics and sulphur produced at the plant will go for export, Hammer said.

He would not specify how profitable he expected the venture to be, but added: "The Soviets understand that capitalists do not operate in a country without making a profit." The Soviet Union itself would gain management techniques and capital out of the deal, he said.

Hammer said Kremlin leader Mikhail Gorbachev's economic reforms had created new opportunities for foreign firms.

Gorbachev, he said, "is very pragmatic in that he realizes capitalism is not going away, and he realizes capitalism and socialism can work together and compete peacefully."

Hammer arrived in the Soviet Union recently to open an exhibition on American art and to have talks with Soviet Prime Minister Nikolai Ryzhkov.

After agreement on trimming the U.S. budget

Mixed views on Wall Street

WASHINGTON (AP).– The U.S.' massive budget deficit, and the difficulty national leaders have had in finding ways to trim it, has become a symbol around the world of the inability of the U.S. to get its own financial house in order, analysts suggest.

The deficit has forced up interest rates throughout the U.S. economy, compelled the U.S. to depend on foreign investments to finance its red-ink spending, intensified the U.S. trade deficit and debased the nation's currency.

Reagan called the hard-fought budget accord the "right message at the right time." And some analysts agreed, saying that the psycyological impact could far outweigh the size of the deficit reduction, which pales beside the nation's accumulated total deficit of 2.4 trillion dollars.

One of the optimists, John O. Wilson, chief economist for the Bank of America in San Francisco, said the agreement and the stock market crash itself "improves the outlook for the economy significantly."

"The plunge of the stock market on Oct. 19 stopped the upward spiral of interest rates that could have led to a recession. And it broke the policy impasse over the budget. It allowed politicians to say that under a crisis condition, we have to take action," Wilson said.

He said that markets should react favourably to the agreement. "Of the cuts in 1988, I see only about 6 billion dollars or 7 billion that look 'soft' and about 6.5 billion dollars in that category in 1989."

"The markets are looking for an indication that Congress is serious about reducing the deficit in a long-term strategy. We're talking about psychology and about commitment," Wilson said.

A pessimist, Washington economist Michael K. Evans, argued, "Markets will be unimpressed. And I think foreign investors will take this deal very negatively." Furthermore, Evans said he doubted the deficit cuts would ever take effect. He called the budget agreement "an excellent imitation of a crown jet."

The proposed agreement would replace $23 billion in automatic cuts in fiscal 1988 under the Gramm-Rudman budget-balancing law. The cuts began taking effect on Saturday.

Fiscal 1988 began last Oct. 1.

Announcement of the agreement, shortly before U.S. Markets closed on Friday, helped fuel an 18.2 point rally in the Dow Jones Industrial Average.

Allen Sinai, chief economist for Shearson Lehman Bros., said the cuts in the agreement may provide some temporary solace for financial markets, but "don't really make a dent in our deficit problem." He said even larger cuts are needed to shore up the economy and stabilize markets. "If we worry about making too significant a cut for fear of propelling the country into a recession, then we'll never cut the budget deficit," Sinai said.

Sri Lanka wants $3 b. by year 1990

By JEREMY CLIFT

COLOMBO (Reuter) - Sri Lankan Finance Minister Ronnie de Mel says he needs three billion dollars over three years to rebuild the country's war-shattered economy.

He told Sri Lankan reporters the 1988 "budget for peace" to be presented would focus on tackling the problems of poverty and unemployment believed by the government to be one of the root causes of four years of bloodshed in which 7,000 people have died.

"This budget will try to meet the problem of youth unrest and youth unemployment," he told the government-owned *Daily News*.

He hoped that 20,000 Indian troops would have re-established peace in the north and east of the country by the end of the year. They are battling to root out Tamil Tiger guerrillas who have been fighting for a separate state.

"We must make a new start at least from January, 1988, when we hope peace and law and order will be re-established once more in our country," the minister declared.

Political sources said the main features of the budget would be a pay rise for civil servants and a programme to create half a million jobs for youth over three years.

De Mel said on state television on Sunday evening he would need between 80 billion and 100 billion rupees ($2.6-3.3 billion) over three years to rebuild the economy. Much of this would come from foreign aid, he said.

"I am confident that I can obtain this aid if we take certain steps to revive international confidence in Sri Lanka," he said. Sri Lanka's aid donors are expected to meet in Paris next month, but the date is still to be fixed.

Prime Minister Ranasinghe Premadasa has blamed deep-rooted poverty and unemployment as the underlying cause of the bloodshed in Sri Lanka and said a crash programme was needed to create jobs.

He said in an address to parliament last Thursday that seven million of the island's total population of 16 million earned less than 300 rupees a month. "Hardly can they have a change of clothing. They cannot afford to give their children anything nutritious to eat," he said.

"It is the suffering that people have to put up with that pushes them towards the terrorist elements in the country," he said.

The government is offering limited autonomy to the minority Tamils, who make up 13 per cent of the population.

De Mel said the devolution package would initially cost the government more money because of the additional staff necessary for provincial administrations. But he said it could eventually save money by cutting back on corruption and making sure projects were better implemented. The government has already announced spending for 1988 of 83.8 billion rupees.

Bezek has no priority on cable TV cable-laying

A-G overrules Rubinstein

By JUDY SIEGEL
Jerusalem Post Reporter

A declaration made over a year ago by then-communictions minister Amnon Rubinstein that Bezek had the "first refusal rights" to lay cables when legal cable TV is set up has been ruled "not binding" by Attorney-General Yosef Harish.

In a letter to the Bezek works committee on September 8, 1986, Rubinstein stated that the company winning the cable TV franchise in any area would have to offer Bezek first rights to connect homes to the broadcast centre, and that only the communications minister would have the power to exempt the franchise company from this requirement.

But Harish – asked for a ruling by Communications Ministry Director-General Ben-Ami Gov – decided that Rubinstein's commitment was "not a binding promise, but merely a declaration of policy." The then-minister did not have the legal authority to make the promise, Harish ruled. Such a commitment, he said, contravenes the spirit and letter of the 1982 Bezek Law, which did not grant a full monopoly to the public telecommunications company. The franchise company, therefore, could ask any other public or private company to lay the cables.

Asked to comment, Bezek chairman (and and Gov's immediate predecessor) Yoram Alster told *The Jerusalem Post* that Bezek was not distressed by Harish's ruling. "Even if not required to ask Bezek first, any franchise company would undoubtedly ask us to to lay cables, because we are the most qualified – economically, financially and professionally – to do the work. We have the basic infrastructure already laid out."

Alster went on to explain that cable could be run through existing telephone tunnels and channels, in the ground and in buildings, to provide cable TV service. "It would be foolish to have someone dig new channels at a much higher cost," Alster said, "unless the initiators of the Cable TV law are interested in careless stringing of wire from rooftop to rooftop." Advanced fibre-optic cables, not yet used in Israeli telecommunications, could carry both phone calls and TV broadcasts simultaneously, he added.

Worker shortage may hit power plant

Jerusalem Post Reporter

A manpower shortage could push back the scheduled opening date of the Ashkelon coal-fired power plant, currently under construction, according to an Israel Electric Corporation official.

About 150 workers, mainly in the blue-collar sector, are currently being sought by Israel Electric. Uri Slavni, in charge of operations at the Ashkelon site, said that although work is currently proceeding according to schedule, if the gap is not filled soon the plant would not be able to open in 1989 as planned.

He expressed concern that in that case the country will have to continue to rely on the oil-fuelled power stations, which cost $100,000 per day more to run than coal.

New signal system for Negev RR stations

Jerusalem Post Reporter

Israel Railways General-Manager Eliyahu Barak last week inaugurated a high technology signalling and control system in three new Negev stations.

The stations are at Tsefa, about 22 kilometres from Dimona, where potash will be loaded; Nebatim, between Beersheba and Dimona; and Eilata, between Oron and Tsin.

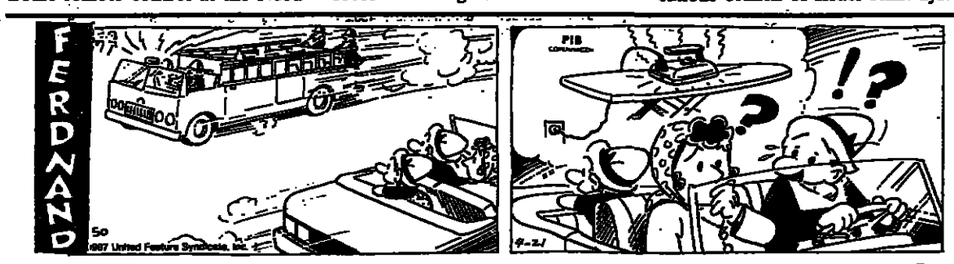
The new system will utilize electronic remote control at the Nebatim and Eilata stations.

Barak said the kind of new technology incorporated into the stations would enable the system to haul more freight in the Negev area. If the same sophisticated operational and control system can be developed for the entire area, a greater number of trains could be operated over an expanded track network.

This year, Barak said, would be a record for freight, with 6.6 million to 6.7 million tons forecast to be hauled.

The Nebatim and Eilata stations are equipped to carry additional trains if the railway track to Eilat is built.

Israel Railways said it was among the first in the world to apply this innovative technology to railway tracks. The system is the result of the product of a joint effort between Motorola Israel and the communications branch of Israel Railways.



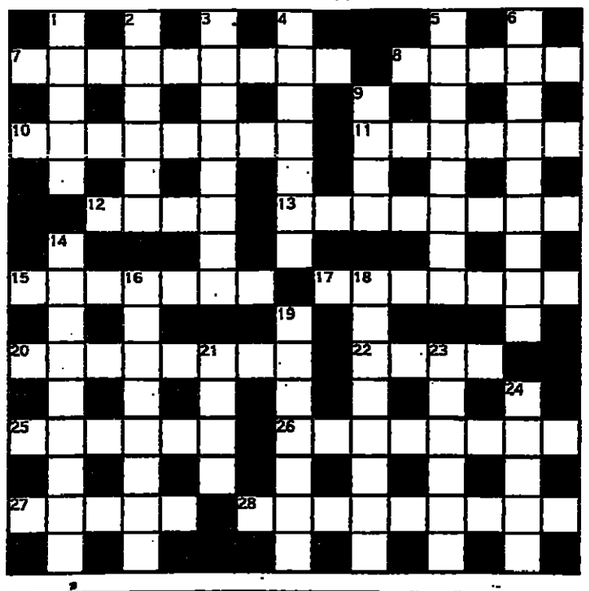
CROSSWORD

ACROSS

7 Threaten to postpone the matter (5,4)
8 A bit of garlic and spice (5)
10 AALLLL—taking everything into account (3,2,3)
11 Beating the retreat! (6)
12 Realize Ronald's got nothing (4)
13 A cursory inspection as soon as the task has been finished (4-4)
15 Seize and set down in the cargo space (3,4)
17 Where King Arthur turned up with everybody (7)
20 A curt rebuff is the best way to treat scruffy shouldered types (5-3)
22 Priest might go back to the sword-carrier (4)
25 A city work place in need of heating? (6)
26 What nanny insists the fussy child should eat up? Quite! (5,3)
27 I'd back the delivery vehicle if you want a seat (5)
28 The gunman's demand for bills to be posted (5,2,2)

DOWN

1 Ancient writing tool displayed by an elegant writer (5)
2 Later, but not too late (2,4)
3 Maybe just a body found deserted (3,1,4)
4 Little Tom, the junior porter? (7)
5 Pleased that a few are joyous (8)
6 No odd vocal part can be preserved by keeping things unruffled (4,5)
9 Elegant footloose chick (4)
14 Come on, be honest enough to admit the exhibition's not too bad (5,4)
16 It is probably designed to ward off infections (8)
18 A learner takes an interior wall painting outside (8)
19 Property and Special Technique departments produce them on television (7)
21 Party leader's in debt, we hear (4)
23 Gas derived when we have xy low down under freezing point (6)
24 Sounds like the very peak of resentment (5)

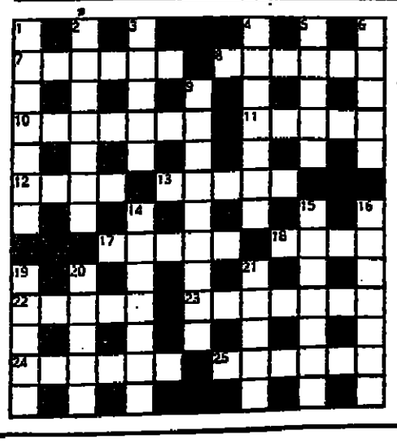


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QUICK SOLUTION

ACROSS: 1 Peacock, 5 Stale, 8 Puree, 9 Minicab, 10 Lantern, 11 Reaps, 12 Diesel, 14 Galaxy, 17 Aitch, 19 Ethical, 22 Omnibus, 23 Dwell, 24 Ducat, 25 Rosetta. DOWN: 1 Pupil, 2 Arrange, 3 Obese, 4 Kimono, 5 Sangria, 6 Accra, 7 Embassy, 12 Diamond, 13 Exhibit, 15 Ancient, 16 Geyser, 18 Tunic, 20 Hades, 21 Lille.



QUICK CROSSWORD

ACROSS

7 Of good character (5)
8 Tried to find (6)
10 Try (7)
11 Doctrine (5)
12 Revolver (4)
13 Wooden shoes (5)
17 Garden herb (5)
18 Stance (4)
22 Prickle (5)
23 Line touching circumference (7)
24 Bounder (5)
25 Warning light (5)

DOWN

1 Move forwards (7)
2 Coal bucket (7)
3 Dwarf or goblin (5)
4 Mailing costs (7)
5 Representative (5)
6 Declare (5)
9 Impasse (9)
14 Water course (7)
15 Power (7)
16 Background (7)
19 Tale (5)
20 Opening, entrance (5)
21 Sarcastic expression (5)

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3. Private ownership in the name of the Hotel Mandarin Company Ltd. of a 10,581 sq.m. plot listed as parcel 85 in block 6609, with a built up area of 16,000 sq.m., is subject to leasing rights in favour of the above purchasers of the rooms/vacation weeks.
4. The information brochure and additional details are obtainable from the undersigned, to whom bids must be addressed by December 8, 1987.
5. The sales contract (or any other contractual document) is subject to court authorisation in the framework of applications to the Company and/or mortgagors and pledgors.
6. The undersigned does not undertake to accept the highest or any other bid.

J.O. Shachor, Adv.
Representative of Mandarin Hotel Ltd.
43 Yehuda Halevi, Tel Aviv, Tel. 613119

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Third Bank of Israel tender

Banks to bid on NIS 250m. loan

By AVI TEMKIN
Post Economic Reporter

The Bank of Israel will offer the commercial banks by tender tomorrow a monetary loan of NIS 250 million aimed at easing their liquidity-margin problems.

The auction will mark the third time in one month that short-term loans have been made to the commercial banks by the Bank of Israel. Interest on these loans are set by the bids of the banks.

However, unlike the two previous occasions where the tender system was used, at tomorrow's tender a different interest rate will be set for each commercial bank, according to its bid. A spokesman for the central bank explained that the loan would be allocated among the banks in accordance with the level of their individual bids.

Despite its willingness to inject short-term liquidity into the banking system, the central bank is making efforts to keep short-term interest rates at their present high level. The Bank announced yesterday, for instance, that starting Thursday it would implement new liquidity regulations that, it hopes, will help control the economy's credit and liquidity levels.

According to the new regulations, commercial banks will be able to borrow from the central bank sums equivalent to 12 per cent of their liquidity requirement, if they have exceeded it. An interest rate of 20 per cent in annual terms will be charged on these loans. If they exceed their margins any further, the commercial banks will only be able to borrow at a penalty rate of 50 per cent.

According to government sources, the borrowing rates set by the central bank mean that the prevailing high interest rates on loans and overdrafts will continue. They said the central bank could not reduce interest rates so long as the public was looking to an imminent devaluation of the shekel.

"They simply missed the train. Interest rates should had been lowered earlier this year, when there was a large inflow of foreign currency," one source said. "Now they are stuck with high rates and they do not know what to do."

'Kibbutzim worse off than the moshavim'

By KEN SCHACHTER

TEL AVIV. – The financial condition of the kibbutzim is even grimmer than that of the moshavim, Agriculture Minister Arye Nehamkin said yesterday.

Nehamkin told a meeting of the Labour Party's economics and social affairs committee that although kibbutzim were in worse straits, the moshavim's "looser" internal organization had been harder hit by the financial crisis. Also, unlike the moshavim, the true economic situation of the kibbutzim was hidden from view until several months ago, he said.

Many mistakes were made during the "mad years" of free spending, Nehamkin said. Nevertheless, he added, the weakest purchasing organizations of the moshavim and kibbutzim were better organized than government agencies.

Only the productive sector was paying for the years of economic insanity, Nehamkin said. "The pockets of this little country have been emptied and the citizens of the country will have to pay for it the next 10 years," he said.

But Nehamkin refused to blame any narrow segment of the society for spendthrift ways.

"Restaurants, hotels, movie theatres and airplanes are full to capacity," he said. "I don't think only 10 per cent of the population is capable of filling all this."

At the same meeting, Gad Ya'acobi, who holds the government's economic planning and communications portfolios, lamented the failure of government to take "clear and immediate" action to resolve the nation's agriculture crisis.

Yaacobi said that despite a policy of the national unity government to cap real interest rates at 25 per cent yearly, the agricultural sector sometimes had paid 80 per cent or 90 per cent. Farmers, he said, have paid more than NIS 1 billion beyond what the cap specified.

CURRENCY MARKETS

Nervous week for dollar

The dollar closed slightly higher on Friday, in thin and nervous trading that saw the currency fluctuate in a wide band before settling near its previous day's close. It reached as high as 1.6975 Deutschmarks and touched as low as 1.659 marks.

The White House announced a budget-deficit reduction package had been reached Friday that calls for $76 billion in spending cuts over this year and next. During the week, the market's attention had been focused almost exclusively on the budget negotiations between the administration and Congress.

Last Monday, the dollar rose sharply and reached its highest level for the week, at about 1.7170 marks, following President Reagan's prediction that an $80b. budget-cutting pact was at hand. But the currency drifted lower as the market lost confidence in Washington's ability to reach an agreement before the November 20 deadline.

The favourable U.S. economic data reported last week were largely ignored. Industrial production was up 0.6 per cent in October, while capacity utilization was the highest since August 1984. Both figures suggest that the American economy entered the fourth quarter with strong momentum, which greatly improves its chances of overcoming any fallout from the share market collapse.

Now that the budget deal is done, the market is likely to shift its attention to the prospects of a Group of Seven meeting. U.S. Treasury Secretary James Baker has already said Washington will not promote such a meeting soon.

The budget deal certainly took some pressure of the dollar, but this relief may prove to be short-lived. The full implementation of the pact is not assured, and the market may renew its attack on the dollar if Congress demonstrates that it is unable to tackle the problem.

The column appears courtesy of Boaz Barak Advisory Service.

Lautman: Gov't wages 'political time bomb'

TEL AVIV. – The wage level of the public sector is a "political time bomb," Dov Lautman, director general of Delta Galil Industries Ltd. told the annual meeting of members of the Tel Aviv Stock Exchange yesterday.

Lautman, who also serves as chairman of the Manufacturers Association, said that a 1985 decision to reduce the size of the public sector was never implemented. He recalled that he had warned politicians that they would have "a very bot time" in dealing with an "enormous" public sector.

"I realize that to make a drastic move now is impossible in an election year," he said, "so we'll have to make painful adjustments in 1989."

IDB branches shut

TEL AVIV. – Virtually all Israel Discount Bank branches were closed yesterday morning as some 4,000 workers gathered at the National Labour Court in Jerusalem to respond to a management lawsuit.

The employees piled into some 60 Egged buses to answer charges concerning worker sanctions and an ongoing dispute over their 1987 salary. Bank management had sought to limit representation to the works' committee, but Labour Court President Haim Goldberg yesterday ruled that individual employees had a right to respond to the suit. After the session, workers returned to the bank's approximately 150 branches, which reopened in the afternoon.

The bank is expected to function as usual today.

KESSAR VS. NESSIM

(Continued from Page One)

details before deciding on its stand.

Another bone of contention between Kessar and Nissim is the rescue plan for the moshavim. Nissim has steadfastly opposed a government guarantee for the loans called for in this plan, and Kessar yesterday promised at an earlier Histradrut central committee meeting to step up his efforts to find a solution to this problem.

There was also no debate on the Kupat Holim doctors' pay dispute, although Kessar fiercely attacked both the doctors and the government for Kupat Holim's present crisis.

He said the government's contribution of NIS 30 million to Kupat Holim's NIS 1.6 billion budget was the basic cause of the health fund's problems. "Thirty million shekels to guarantee the health of 3.5 million people is nothing," Kessar said, adding that the government was always prepared to dole out money to yeshivot or to grant NIS 30m. to a coalition partner to ensure its support.

Kessar lambasted the doctors for causing unnecessary suffering to Kupat Holim patients. He said the doctors were trying to turn Kupat Holim's request for a second shift, needed to help cut down waiting lists, into a demand for a new wage agreement. Kessar said the health fund was prepared to pay for the extra work but was not able to negotiate a new wage deal. Wage demands, said Kessar, should be addressed to the Treasury.

EC farm accord ratification expected soon

By YOSSI LEMPCOWICZ

BRUSSELS. - After many delays, the European Parliament is likely to ratify next month an economic protocol governing agricultural trade between the European Community and Israel, an EC official told *The Jerusalem Post* yesterday.

However, the official warned that if an agreement is not reached on agricultural exports from the West Bank and Gaza, ratification of the protocol could be delayed again.

The supplementary protocol, which was initialed last year, has been held up over the issue of whether exports from the territories can be sold directly to EC markets, as the community is demanding, or through Israeli agricultural marketing bodies, as Israel wants. Last week, Israel accused Britain of blocking ratification of the protocol, which is designed to regulate trade between Israel and the EC in the wake of Spain and Portugal's entry into the community.

Spain and Portugal produce many of the same farm products Israel does.

Last Thursday Foreign Minister Shimon Peres reportedly won a promise from Claude Cheysson, the EC Executive Commission member in charge of Mediterranean policy, that the protocol would be forwarded to the European Parliament for approval.

An EC delegation is currently in Israel to work out an agreement on exports from the territories. The EC official said Israel had agreed in principle to permit direct exports from the territories but the EC still insisted on a concrete agreement, that would include such requirements as a certificate of origin and labeling indicating the source of the exports.

The protocol must win an absolute majority of votes in the 518-member body to be ratified.

Joblessness up

Post Economic Staff

The unemployment rate shot up a full percentage point to 6.9 per cent in the three months ended September 30 from the previous quarter, the Central Bureau of Statistics reported yesterday. It was the second consecutive quarterly rise and the highest rate in a year.

The seasonally adjusted figures, which count people over the age of 15 actively seeking work, showed that women took the brunt of the growth in joblessness.

Tel Aviv Stock Exchange

Indexes

General Share	25 Shares	General Bond
125.81 -0.08%	122.44 uc	150.12 -0.01%

Shares Movements

Advances	Unchanged	Declines
127	135	169

Selected Prices

Name	Price	Volume NIS	% change
Commercial Banks			
(not part of arrangement)			
OHH	25200	18	-0.4
Maritime 0.1	1600	2331	-0.3
General non-arr.	16800	144	–
FIBI	8840	1569	-1.8
Commercial Banks			
(part of arrangement)			
IDB	102830	131	-0.1
Union 0.1	76800	77	–
Discount	130600	148	-0.5
Mizrahi	42300	378	+0.5
Hapoalim r	69729	261	–
General A	176800	11	+0.8
Leumi 100.0	44330	1609	+0.2
Fin. Trade	58510	1	-0.5
Mortgage Banks & Finance			
Leumi Mort. r	9114	140	-4.4
Dev. Mort.	2520	875	-1.2
Mishkan r	3850	3559	-2.0
Tefahot r	24050	270	-0.8
Merav r	8787	67	+1.0
Leumi Ind.	12910	180	-5.8
Clal Leasing 0.1	24846	86	–
Insurance			
Ararat 0.1 r	1186	1159	+2.0
Phoenix 0.1	804	1926	–
Hamishmar 1.0	6030	186	–
Menorah 1	2281	235	+0.0
Sahar r	401	4986	–
Securities	1120	652	-1.3
Zion Hold. 1	5959	50	+1.0
Trade & Services			
Integrama 1.0	830	416	–
Meir Ezra	836	2635	-0.5
Crystal	920	10458	-1.6
Supersol a	12390	609	+3.3
Lighterage 0.1	820	438	+1.2
Cold Storage 1.0	n.t.		
Dan Hotels 1.0	n.t.		
Coral Beach	6362	–	–
Yarden Hotel	3316	449	+3.0
Hilon 1.0	255	5780	–
M.L.L. 1.0	14800	19	-1.6
Team 1.0	738	1699	–
Real Estate, Building and Agriculture			
Al-Rov	348	3197	–
Africa Isr. 0.1	47200	110	–
Ariadan	2438	472	-0.4
Danimer	6802	114	–
Y.E.C.	347	31412	-0.9
Bayside 0.1	4819	437	-1.7
Isras	19400	523	-3.0
Azorim Props.	344	16293	-0.9
Mehadrin	7080	789	-0.3
Hadarim Prop.	1865	650	-1.1
Industrials			
Dubek	3430	1138	–
Tempo 1.0	37300	18	-0.3
Sumfrost	17300	30	-1.1
Assis	350	1737	-5.7
Adgar	510	5137	-5.0
Argaman	11000	33	+1.4
Delta Galil	1873	2711	-0.5
Lodzia	888	685	–
Ligat	268	4490	+0.7
Polgat	1300	1562	–
Gibor Sabrina	7171	168	+1.0
Urdan 0.1r	8890	44	-0.1
Wire&Cable	428	3433	-0.2
Zion Cables 5.0	1345	3000	-2.2
Pecker Steel	2235	1109	-2.8
Elbit	341000	63	+3.0
Electra 0.1	2100	375	-2.3
Aryt	19799	136	-0.0
Spectronix 1.0	1349	1305	–
T.A.T. 1.0	995	804	+0.5
Y.P. Clal	183	83592	–
Ackerstein 1.0	605	3350	+0.8
Agan	2163	1300	-0.9
Alliance	1760	222	+2.9
Gal Indus. 1.0	505	800	–
Fertilizers 0.1	3250	92	–
Haifa Chemicals	917	7777	-1.7
Periclase	609	18045	+5.9
Frutarom	54900	85	–
Keter	200	2180	–
Koor p	9200	654.1	+6.6
Investment Companies			
Wolfson 1 r	113000	0.6	-0.9
Hapoalim Inv.	870	4907	-2.7
Mizrahi Invest.	31820	13	–
Paz Invest.	2866	1278	–
Pama 0.1	8480	282	+1.5
Pityon	14100	804	–
Yisum	162	13964	-0.8
Oil Exploration			
Paz Oil Expl.	22120	136	+1.0
J.O.E.L.	450	10949	+2.3

25 Shares

Name	Morning Price	Morning Volume NIS	Morning % Change	Afternoon Price	Afternoon Volume NIS	Afternoon % Change
First Internat'l	8382	222.0	-0.50%	8382	31.2	–
Hasneh r	260	150.3	+1.50%	257	38.3	-1.20
Clal Trading	465	163.6	–	462	108.3	-0.60
Supersol B	10404	87.6	+0.50%	10430	24.0	+0.20
Delek r	2601	321.3	+0.50%	2601	29.9	–
Africa-Isr. 1.0	40427	58.6	+1.00%	40027	110.4	-1.00
Azorim	1111	110.2	–	1103	83.4	-0.70
Prop. & Building.	3185	153.1	+0.25%	3185	50.1	–
ILDC r	74577	238.8	–	74577	112.6	–
Clal R Estate	780	103.2	+0.25%	776	14.9	-0.50
Elite	16003	51.2	-0.25%	15762	20.3	-1.50
Polgat B	915	115.8	+0.50%	910	81.2	-0.50
Is. Can Co. 0.1	4617	148.3	–	4525	24.5	-2.00
Elron	221910	250.8	-0.25%	221910	8.6	–
Teva	11256	249.8	+0.50%	11256	90.7	–
Dead Sea	2838	555.0	+0.50%	2838	168.8	–
Petrochem	887	135.3	-2.00%	886	53.5	-0.20
AIPM	339128	183.6	–	339576	44.1	+0.30
Central Trade	15480	83.6	–	15403	20.7	-0.50
Clal Industries	242	222.6	+0.25%	241	141.7	-0.40
IDB Develop.	8916	4960	+0.50%	8916	52.6	–
Elem	1088	35.4	+0.75%	1045*	20.0	-4.00
Israel Corp.	4582	248.9	+1.00%	4537	83.8	-1.00
Discount Invest	2410	278.1	+0.50%	2388	70.7	-1.00
Clal 1.0	1406	417.5	-1.25%	1396	110.7	-0.70

Abbreviations: a.o. sellers only; b bearer; p.o. buyers only; r registered; n.t. no trading

Statistics

Stock Indices

General Share (excl argmt.)	132.46	-0.19%
Non-argmt.	188.10	-0.77%
Arrangement Banks	121.81	+0.01%
Mortgage Banks	147.61	-0.29%
Financial Inst.	126.88	-0.49%
Insurance	98.51	-0.13%
Commerce & Services	133.18	-0.50%
Real Estate & Agric.	122.33	-0.39%
Industrials	126.84	-0.12%
Food & Tobacco	110.04	-1.24%
Textiles	103.71	-0.65%
Metals	117.15	-1.13%
Electronics	94.14	+0.81%
Chemicals	142.76	+0.15%
Industrial Invest.	168.01	+0.09%
Investment Cos.	152.96	-0.51%
Oil Exploration	102.58	+2.84%
Parallel List	73.43	+0.71%

Bond Indices

Index-linked Bonds	122.76	-0.02%
Fully linked	124.31	+0.06%
Partially linked	118.82	-0.26%
Foreign Currency	120.15	+0.15%
FC denominated	114.44	+0.23%
FC linked	123.03	+0.11%
Short-term 0-2 yrs	118.72	-0.09%
Short-medium 2-5 yrs	121.66	-0.06%
Medium-long 5-7 yrs	125.35	+0.23%
Long-term 7 + yrs	126.75	+0.06%

Turnovers

Total Shares	NIS	16,773.3
Non-arrangement	NIS	13,689.5
Arrangement	NIS	2,283.8
Bonds	NIS	6,408.1
Treasury Bills	NIS	1,653.3

Share Movements

Advances	127	(185)
of which 5%+	13	(11)
buyers only	3	(0)
Declines	169	(79)
of which 5%+	14	(8)
sellers only	1	(0)
Trading Halt	45	(45)

Bond Market Trends

Index-linked:	
3% fully linked	Stable/slightly mixed
4.25% fully linked	Mixed to 1.5%
80% linked	Falls to 1%
Double linked:	Mixed to 5%
Rimon	Stablemixed to 1%
Gilboa	Stablemixed to 1%
FC denominated	Stable
T-bills	15.8-17.6%

Arrangement Yields

IDB ord.	11.54%
Union 0.1	11.28%
Discount A	12.31%
Mizrahi R.	11.75%
Hapoalim R.	11.83%
General A.	11.15%
Leumi Stock	11.85%
Fin. Trade 1	12.46%

Israel Money Markets

Shekel Deposits (annual rates)

Bank – Last Updated	Deposit Size	Pachak	7 days	14 days	30 days
Leumi(Nov. 13)	40-1,000	–	7.00	8.00	10.25
	1,000-10,000	12.50	14.00	15.50	17.00
	10,001-50,000	12.75	14.75	16.25	17.75
	50,001-100,000	13.00	15.00	16.50	18.00
	100,001-500,000	13.50	15.00	16.50	18.00
Hapoalim (Sept. 7)	Up to 999	6.00	6.00	6.50	6.75
	1,000-9,999	11.00	11.00	11.50	12.50
	10,000-49,999	11.50	12.50	12.00	13.00
	50,000+	12.00	12.00	12.50	13.50
Discount (Nov. 16)	50-999	6.00	7.00	8.00	12.00
	1,000-9,999	12.00	12.00	14.00	16.00
	10,000-49,999	14.00	14.00	15.00	17.00
	50,000-99,999	14.00	14.00	15.00	17.00
	100,000+	15.50	15.50	16.50	18.00
Mizrahi (Nov. 22)	40-2,000	–	10.00	10.00	11.00
	2,001-10,000	13.00	14.00	15.50	17.00
	10,001-50,000	14.50	15.00	16.50	18.00
	50,001-100,000	15.00	15.50	16.50	18.00
	100,000+	15.50	16.00	17.00	18.50
First Intl (Nov. 10)	50-999	–	8.90	8.10	9.80
	1,000-4,999	12.50	12.50	13.00	15.60
	5,000-9,999	13.00	13.00	14.10	16.20
	10,000-49,999	14.00	14.10	14.30	16.80
	50,000+	14.50	14.60	14.60	17.00

*NIS 2,000-4,000 **4,001-15,000

Patah (foreign currency deposit rates, (Nov. 23)

Currency (min. deposit)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar ($100,000)	6.750	6.750	7.125
Pound sterling (£100,000)	7.375	7.375	7.500
Deutschmark (DM 200,000)	3.000	3.125	3.125
Swiss franc (SF 200,000)	3.000	2.875	2.875
Yen (1 million yen)	3.000	3.000	3.000

SOURCE: BANK LEUMI. Rates vary according to size of deposit.

Shekel Foreign Exchange Rates (Nov. 20)

	CHEQUES AND TRANSFERS Buy	CHEQUES AND TRANSFERS Sell	BANKNOTES Buy	BANKNOTES Sell	Rep. Rates
Currency basket	1.7010	1.7230	–	–	1.7111
U.S. dollar	1.5682	1.5858	1.53	1.60	1.5756
Deutschmark	0.9384	0.9482	0.91	0.96	0.9413
Pound sterling	2.7857	2.8307	2.72	2.85	2.8433
French franc	0.2752	0.2787	0.26	0.28	0.2770
Japanese yen (100)	1.1627	1.1773	1.14	1.19	1.1685
Dutch florin	0.8320	0.8424	0.81	0.85	0.8360
Swiss franc	1.1411	1.1564	1.11	1.17	1.1467
Swedish krona	0.2583	0.2625	0.25	0.26	0.2606
Norwegian krone	0.2448	0.2477	0.24	0.25	0.2463
Danish krone	0.2429	0.2459	0.24	0.25	0.2441
Finnish mark	0.3809	0.3857	0.37	0.39	0.3836
Canadian dollar	1.1956	1.2105	1.17	1.22	1.2013
Australian dollar	1.0877	1.1013	1.04	1.14	1.0829
S. African rand	0.5728	0.8027	0.52	0.82	0.7989
Belgian franc (10)	0.4443	0.4498	0.43	0.45	0.4490
Austrian schilling (10)	1.3310	1.3477	1.30	1.36	1.3372
Italian lira (1000)	1.2708	1.2867	1.24	1.31	1.2771
Jordanian dinar	–	–	4.33	4.59	4.5771
Egyptian pound	–	–	0.65	0.69	0.7327
ECU	1.9303	1.9545	–	–	1.9415
Irish punt	2.4840	2.5151	2.43	2.58	2.5021
Spanish pesata (100)	–	–	1.34	1.43	1.3959

SOURCE: BANK LEUMI.

Foreign Markets

EUROPEAN FINANCIAL MARKETS (Nov. 20)

Precious Metals

Gold	London	a.m. fix	486.25
	London	p.m. fix	485.70
	Paris	noon fix	488.22
	Zurich	p.m. fix	486.25
Silver	London	Spot fix	860.00
Platinum	London	p.m. fix	503.25

SOURCE: MARINE MIDLAND BANK

Libor Rates

	1 month	3 months	6 months
Sterling	9	9	9
Dollar	6 7/8	7 1/2	7 1/2
S-franc	3 1/16	4	4
D-mark	3 11/16	4	4 1/8
Yen	4 1/4	4 7/16	4 3/8

Foreign Currency Crossrates (London 15:30 GMT)

	Spot	3 months	6 months	12 months
Forward rates				
Pound sterling	1.7795/10	67/63	119/114	183/173
Deutschmark	1.6815/30	148/143	280/275	581/571
Swiss franc	1.3795/05	121/116	235/225	515/480
Dutch florin	1.8890/10	111/106	217/200	470/450
French franc	5.7400/50	240/270	450/500	700/800
Japanese yen	135.30/40	108/103	215/207	445/425
Italian lira	1240.0/5.0	125/155	240/280	470/530
Belgian franc	35.10/20	8/3	15/8	40/25
Canadian dollar	1.3135/10	38/41	80/85	155/175
ECU	1.2251/69	6/9	15/20	55/65
S. African rand	0.5075/85	10/2	20/10	46/34
Austrian schilling	11.80/82	8/6	16/12	35/26
Swedish krona	6.0675/75	285/325	585/645	1100/1225
Norwegian krone	6.4030/30	1170/1210	2240/2300	4025/4175
Danish krone	5.4775/75	365/425	725/835	1315/1550

Share indices

Commerzbank 60 stocks ..... 1,325.7 -29.4 Financial Times 100 stocks ..... 1,624.7 -16.4

NEW YORK FINANCIAL MARKETS (Nov. 20)

U.S. Money Rates

Prime rate	8.75%	Fed funds (late)	6 3/8
Broker loan	8.00%	Long term bond	100 2/32-4/32
NY Euros (3 mos.)	7 3/16-5/16%	Discount rate	6%

New York Foreign Exchange

	DMK	SFR	STG	YEN	CAN
Latest	1.6822/32	1.3795/05	1.7772/82	135.55/65	1.3130/35
High	1.6975	1.3940	1.8005	136.00	1.3142
Low	1.6590	1.3590	1.7630	133.90	1.3098

Comment:
The dollar closed slightly higher, but well below the day's highs after President Reagan announced a two-year $76.05b. bipartisan deficit reduction pact. The market welcomed the announcement with relief after weeks of awaiting an accord, but it remained disappointed over the size of the cuts. It was expecting closer to $80b.

Precious Metals

Gold	Spot	469.55	Silver	Spot	6.67
	Prev close	465.05		Prev close	6.57

Wall Street (Prices as of 16:00 GMT)

Market Indices			NYSE Highest Volume		
DJ Industrials	1,913.63	+18.24	Mcdermott	16	+ 3/8
DJ Transport	726.29	-0.28	Duquse Lt	12	unch
DJ Utils	188.18	-0.24	Sonat Inc	25⅜	- ⅛
Stocks	708.23	+3.74	ATT	28¼	unch
NYSE Comp	135.58	+0.84	Kan-Cy Pwr	26¼	unch
NYSE Inds	161.50	+1.27	IBM	117¾	+2⅛
NASD Comp	312.49	-1.44	Strage Tec	11⅛	unch
S-P 100 Index	237.74	+3.28	Exxon	40⅛	+ ⅞
S-P Comp	242.00	+1.95	Gen Elec	45¼	+ ⅞
S&P OTC 250			Dominion R	43⅞	- ⅜

Statistics

NYSE	Volume	190,052,800	NASDAQ	Volume	126,084,800 (Nov. 20)
	Stocks up	579		Stocks up	958
	Stocks down	689		Stocks down	1359

Comment:
Wall Street, gave a mixed reception to President Reagan's late afternoon announcement of a budget-cutting agreement, as Blue Chip Stocks closed higher but the broader market was depressed. "You can't exactly say this surprised us," one trader said.

"This is a short-term plus, but whether it will lift the market for the long term has yet to be seen," said Thomas Ryan, head of Equity Trading at Kidder Peabody and Co.

Israeli Stocks Traded in New York

NYSE/Amex

	Last	Prev. close	High	Low	Vol. ('000s)
Alliance	–	1	–	–	–
Am Isr Pap	20⅛	20¾	20⅛	20⅛	7
Ampal	1⅞	1⅞	1⅞	1⅞	22
Carmel Cont	5⅞	6	5⅞	5⅞	5
Elscint	1¼	1⅛	1¼	1⅛	28
Etz Lavud	6⅞	6¼	6⅞	6½	24
Laser Inds	6½	6⅜	6½	6¼	62

Over-the-Counter

	Last	Bid	Ask		Last	Bid	Ask
Ampal	–	5¼	6¼	IDB Bank	–	57	61
Aryt	–	4½	5⅛	IIS	–	2⅝	3
Bank Leumi	–	24	26	Interpharm	–	3½	4
Biotech Gen.	5	4⅛	5	Optrotech	6⅝	6¾	7¼
Elbit	5¾	5⅝	5⅞	Oshap	–	1¾	2¼
Elde	–	⅜	⅜	Rada	–	1⅞	2⅛
ECI Tel.	3½	3¼	3½	Scitex	2½	2⅜	2½
Elron	3⅜	3⅜	3¾	Taro Vit	–	⅞	1
Fibronics	2⅛	1⅞	2⅛	Tevapharm	–	7⅞	8
Galagraph	–	1⅜	2½				

OVERSEAS FINANCIAL DATA PROVIDED BY REUTERS MONITOR

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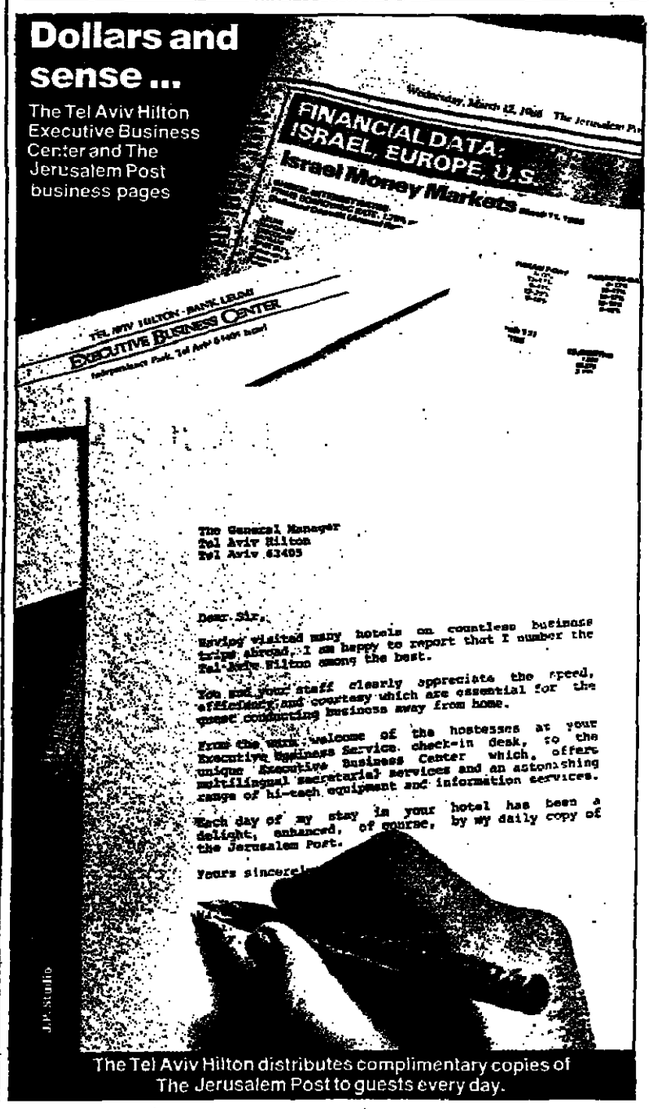
PROGRAMME FOR NOVEMBER 23, 1987

TONIGHT THE ISRAEL-DIASPORA CASH NEXUS: PHILANTHROPY, TAXATION OR INVESTMENT?
Panel: **Dr. Eliezer Jaffe,** Department of Sociology, The Hebrew University
Mr. Naftali Lavie, Director-General, UJA-Israel
Buma Shavit, former Chairman, Manufacturers' Association
Moderator: **Dr. Shimon Samuels,** Director, American Jewish Committee, Jerusalem

ADMISSION: NIS 3

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Dubious and clumsy

THE decision by the Interior Ministry to deny renewal of a tourist visa to Mubarak Awad, an American-Palestinian dedicated to non-violence has suddenly turned him into a media star here and especially in the U.S. It is doubtful whether this is what the ministry and those who influenced the ministry intended when they decided to take action against him.

For the decision, as could be expected, automatically led to American diplomatic intervention on behalf of a U.S. citizen with all the media interest such a case naturally arouses.

In purely legal terms Awad's status is not entirely clear. Born in Jerusalem, he left for the U.S. in 1969 where he ultimately received citizenship. But apparently he also had been given an Israeli identity card, as was the practice for East Jerusalemites after 1967. Therefore, to summarily dismiss his claim and contend that he is simply a tourist trouble-maker with no right to visa extension – as the defence minister reportedly argued to American diplomats – is partial at best.

But the legal implications would be for the courts to decide. The political implications are already visible, namely that Israel for no good reason has again besmirched its image.

Awad after all is not a terrorist. He seeks to represent the very opposite – non-violence. To take action against that is simply embarrassing especially for a country that constantly argues that the Palestinians, or those who presume to represent them, must first of all denounce terror.

Moreover, if there were real ground to fear that despite this pacific ideology, his calls for non-violent civil disobedience nevertheless represent a clear and present danger to social order, then a case against him might at least be argued. But there is no evidence for that at all. In fact, those familiar with trends and moods on the West Bank suggest that his voice is a cry in the wilderness, and that he is bereft of any following.

Quite the contrary, what interests the Palestinian population there much more is the fate of an entirely different candidate for deportation – Abd el Aziz Odeh – named as the leader of the Islamic Jihad group in the Gaza Strip, who openly preaches for a holy war against the Jewish State.

Odeh and his movement have a significant following in the Gaza Strip and the West Bank, while Awad's non-violent theories are considered outlandish.

Thus, instead of fingering a real threat for attention by U.S. and western public opinion through the media, the authorities by their club-footed move against Awad, have simply accorded headlines to the wrong target.

And with American diplomatic intervention on his behalf, not only has the interior ministry been influenced to stay the proceedings, but the government as such again puts itself in a position of appearing as a U.S. dependency.

In the end we are left with a nagging question: why target a seemingly harmless voice? Could it be that the very call by a Palestinian for non-violent resistance to Israel rule is what most unsettles the authorities?

THE MORNING AFTER

Prime Minister Yitzhak Shamir is due to arrive back in Israel today, from the U.S. What is not clear is why he went.

The Prime Minister spent but one day in Washington, and managed only 20 minutes with President Reagan. His talks with the few American officials he met were at best cursory, and devoted to re-stating his unbending opposition to an international conference. The Premier also reiterated Israel's request that its aid package not be cut, despite current economic pressures in the U.S.

Usually, when a head of government travels abroad, he has a political agenda. Not so, apparently, with Mr. Shamir. He had no need to be in Washington to state his opposition to an international conference; he has done so countless times in Jerusalem and just a few weeks ago to Secretary of State George Schultz.

That Israel does not want its aid package cut is also not news in Washington. At least half a dozen Israeli cabinet officials, and no less a personage than President Chaim Herzog, have been in Washington in recent weeks making the same plea, while both foreign minister Shimon Peres and Defence Minister Yitzhak Rabin will be there in a few weeks time with the same message. Mr. Shamir came with no new ideas and apparently also came away with no new ideas. So the question remains: why did he go?

HIRSH GOODMAN

NAKASH CASE

(Continued from Page One)

and then decided that the argument was irrelevant to the issue at hand, which was whether the rabbincal court had the authority to issue a ruling superceding the High Court.

Arad yesterday demanded an apology from the Nakash couple, for their attorney's allegations that Harish had gone to court "in bad faith." She said that as far as the Attorney-General's Office knows, there is no French request for Nakash to serve any prison sentence in Israel.

She then went on to argue that an extradition order supercedes an injunction against leaving the country, and that an injunction against the state is an injunction against the law.

Asked whether it might not have been preferable to appeal to the rabbinical court of appeals, Arad said that since the case is about misuse of authority by the rabbinical court, the proper forum should be the High Court.

YOSEF BEGUN

(Continued from Page One)

ed by 10 KGB officers and hustled off to a local police station.

A former correspondent for a Soviet chess magazine, Pimonov was later released and told Western correspondents in Moscow that he was warned to find work within a month or he would be prosecuted as a parasite. He was fired from his job last Feburary.

Nadgorny, a long-time refusenik, reported to friends in Israel yesterday afternoon that between 20 and 30 the activists were put under a 24-hour house arrest. It was not known whether the house arrest would be extended.

Begun's 23-year-old son Boris told western correspondents in Moscow that his father's telehpone had been "out of order all morning."

The Jerusalem Post tried calling Begun last night repeatedly but heard only a busy signal at Begun's home number.

Earlier yesterday, Yosef Begun said that he would be leaving the USSR "as soon as possible," after Soviet authorities unexpectedly issued exit visas to Boris Begun's wife Yanna and their two children.

The 56-year-old Moscow Hebrew teacher and his wife Inna were initially given exit visas in September, but Begun refused to leave until the remainder of his family was also allowed out of the USSR.

Inna Begun's parents had refused to sign a parental consent form for their daughter's emigration, but in a surprise weekend move, Soviet authorities have waived the need for the form, paving the way for the entire family's departure for Israel.

SUPERPOWER TALKS

(Continued from Page One)

"However, hard work still lies ahead. As always happens in these cases, 'technical' problems at the last stage take on more importance. For that reason, obviously, there arose the necessity of a new meeting" between Shevardnadze and Shultz, he said.

Arriving yesterday in Geneva, Shevardnadze expressed confidence that he and Shultz could work out the remaining problems in spite of "certain difficult questions."

Proper care for children in care

Philip Veerman and Anita Weiner

DURING THE past few weeks, a series of abuses in children's homes has been given much attention in the Hebrew press. As a result of this publicity and of a recent report about certain Israeli institutions where conditions are particularly poor (the Kadman Report, October 1987), the Knesset Labour and Social Affairs Committee has begun meeting to discuss the situation.

One is likely to receive the impression that all children's institutions are functioning poorly and are harmful for children. This is not the case. Israel has a long tradition of residential group care which began well before the state was founded. Therefore, group care is accepted and the children are not stigmatized as in many countries. The quality of most of the homes is adequate, sometimes excellent.

The percentage of young people in residential care in Israel is among the highest in the world. Although exact figures are not known, due to multiple organizations and a lack of coordination, there are over 50,000 youngsters in group care in Israel. In Holland there are 24,000 in group care for a 14 million population, and in the United States less than 100,000 are in group care out of 220 million.

It is our hope that the present wave of publicity about children's institutions and the discussion in the Knesset committee will be the beginning of some constructive changes. There are some suggestions we would like to propose.

At present, there is no centrally coordinated placement policy on services for children and youth. The Ministry of Labour and Social Affairs is by law responsible for licensing and supervising all residential care. However, with all the good will in the world they are unable to fulfil their mandate with only 11 national inspectors for well over 300 institutions. The institutions are under the auspices of many organizations and governmental bodies including the Youth Aliya department of the Jewish Agency, the Ministry of Education, the Ministry of Religious Affairs and various voluntary bodies. We urge that a permanent advisory committee, meeting regularly, be appointed by the Social Welfare Committee of the Knesset with representatives from each of these major organizations and governmental bodies. This could be the start of some coordination of all the different work and policies.

The last decade has seen an emphasis on community services for children at the expense of budgets for child placement in residential facilities (boarding schools, for instance). This is true in all sectors except the Orthodox, where yeshivot are actively recruiting even young children from families in development towns.

THE OPTIONS available in Israel for child placement at present are somewhat limited. Foster family care has not been allocated sufficient financial and manpower resources to develop and expand. A unique placement potential in Israel are the kibbutzim. The Institute for Education of Israeli Children (Hamifal LeHachsharat Yaldei Yisrael), which is subsidized by the Ministry of Education, has successfully placed individual young children for many years in kibbutz settings. More manpower and resources would help to expand this useful option where children can remain permanently as productive members of society. Another option widely utilized by the "Mifal" is the family group home unit, with a married couple living with the children. Children are cared for in groups of up to 11 children.

Siblings need not be separated here. Keeping siblings together can be a source of much comfort and support for children living away from home. But only 620 children live in these homes. In most children's homes supported by the Ministry of Labour and Social Affairs the groups are much larger. Usually there are up to 30 children in a group with only two staff members. When there are such large numbers of children to care for and control it is no wonder that stories of abuse are reaching the headlines.

In spite of the large number of children in residential group care in Israel, there are not enough places for children with behavioural problems or those in need of special attention. These children are not accepted in most institutions and over 400 are in private institutions which are now in dire financial straits. The monthly budget they receive for each child is inadequate for even the most elementary needs, and each year there are further cut-backs. We recommend that private institutions worthy of support be made into semi-public bodies and be given adequate funding. Those which are not, should be closed. There are not enough placement facilities for Arab children with special needs. And disturbed Arab adolescents are even sent to prison now because no institution (reformatory) exists for them.

Youth Aliya, with its 16,000 Jewish youngsters in dormitory care, is now entering a new phase of its development. In the early 1970s the youth villages of Youth Aliya were populated by socially disadvantaged adolescents. It was believed that separating them from their families and their former community and exposing them to the "powerful environment" of the youth village offered them a better chance to change and improve their academic performance. This became Youth Aliya's new goal, just as integrating new immigrant youth into Israeli society had been its previous goal. A growing number of Youth Aliya facilities are now more open settings. Youth Aliya's place in Israeli society has been under discussion for some time. We regard the fact that many Youth Aliya facilities are now turning towards the community as a positive development.

THIS RAISES an extremely important issue. Child and youth placement in Israel is not regionally oriented. Children from the south are often placed in Galilee, and children from the north can find themselves in Jerusalem. For parents and for the children this situation is a serious obstacle to contact. Many research studies have confirmed the significance of such contact for the well-being of children living away from home. We recommend that all placement in the future be made on a regional basis. Each region should assess its needs according to its child population, and its present resources. These resources should then be pooled and made available for the children of the region.

As we have said, Israel has many children in residential institutions. Some are thriving and some have, unfortunately, been abused. There should be resources available to children, parents and staff who have serious complaints. We recommend that a procedure for such complaints be available to every child, parent or guardian at the time of placement. In the meantime, an office for a special child placement ombudsman has been established by the Council for the Child in Placement. A retired juvenile court judge started this work recently (Avraham Ben-Hador, 8 Keren Hayesod Street, Jerusalem).

A general ombudsman for children and youth has been in operation for a year on an experimental basis (Dr. Menahem Horovitz, Jerusalem Children's Council, Beit Elni, 111 Rehov Agrippas, Jerusalem).

That child advocacy now exists is an important new development. But it is worthwhile considering appointing these public figures through the Knesset in order to give them more than moral standing. Maybe we should follow the Norwegian example: in March 1981 the Norwegian Parliament passed an act in which the duties of a "commissioner for children" (ombudsman) were laid down.

We are hopeful that the members of the Knesset Committee on Labour and Social Affairs will take up their responsibility in this important area, and will give serious consideration to some of the proposals outlined here.

Philip Veerman is coordinator of the Israel branch of Defence for Children International. He is also adviser of the Institute for the Education of Israel Children (Hamifal).

Anita Weiner, a lecturer at the University of Haifa School of Social Work, chairs the Council for the Child in Placement.

Dry Bones



Turning a deaf ear to foreign affairs

Yadin Kaufmann

THE WORLD is a big place, but you'd never know it sometimes by following the Israeli media. From the dearth of foreign news one encounters in the country's newspapers, radio and television, one might think that nine-tenths of all significant global developments at any one time are taking place somewhere between Kiryat Shmona and Eilat. The *Mabat* television news programme, when there is no strike, often devotes two minutes or less to the international news of the day, with the major Hebrew dailies typically squeezing it into one half of one page.

To merit coverage, foreign news often seems to require a "Jewish angle" or a potentially direct implication for Israel. Most media in metropolitan areas in the United States and Europe pay much more attention to foreign matters.

One can guess at some of the reasons for this unfortunate state of affairs, yet these factors do not fully explain the phenomenon nor justify its perpetuation.

PEOPLE ARE NATURALLY concerned first and foremost with matters close to home. However, I find it difficult to believe that any vestiges of a "ghetto mentality" cause the typical Tel Avivian or Jerusalemite to be less interested in major international developments than is the average Nebraska corn farmer, who gets his daily ration of foreign affairs on the evening news from CBS, NBC or ABC. The stacks of *Newsweek* and *Time* magazines snapped up here suggest otherwise.

Lamentably, we seem to have enough crises and problems of our own to fill the pages of the local dailies, so that these feel little compulsion to look abroad for the news they transmit to the public. This argument is self-fulfilling, and there might be more than a grain of truth to the assertion that the media actually help to feed these local crises by assuring every potential trouble-maker of extensive coverage of any act of unrest or expression of discontent.

Perhaps this habit of turning a deaf ear to foreign affairs is in part a legacy of the early days of statehood, when everyone's attention was focused full-time on nation-building and defence. While these continue to be vital concerns, they can no longer be said to be an exclusive national occupation.

ONE MIGHT INDULGE this national self-obsession if it did not exact so heavy a price. First, the under-reporting of all things foreign promotes a distorted – and in many cases glorified – view of *Hutz laaretz*. Our images of life abroad are rarely based on, or consistent with, day-to-day reality. Second, the constant harping on domestic problems helps raise the national blood pressure by making every local molehill seem to be a mountain. It may not be far-fetched to suggest that these two factors together contribute to our passion for leaving the country for "fresh air" and in some cases for good.

Third, the failure to expose news consumers to intellectual trends and political, social and economic developments in other parts of the globe makes this a more narrow-minded and provincial place.

And, finally, it gets plain *boring* to read day in and day out about yet another in an unending seris of political squabbles and threatened strikes.

The communications media should be windows to the world. The country might well breathe easier if these windows were opened a bit wider.

The writer is a member of the Israel and New York Bars.

READERS' LETTERS

CITY OF DAVID

To the Editor of The Jerusalem Post

Sir, – With the tragic and untimely death on November 14 of the renowned archeologist, Professor Yigal Shilo, the time has come to insure that he and his work are remembered for a blessing. The last several years of his life were devoted to the latest excavations and highly praised restorations in the City of David. Although the extensive archeological park he envisioned will have to be finished without his perceptive supervison, it is consoling that he was able to see to the opening of the marvellous Warren's Shaft and Area G projects.

Each month, thousands of visitors from all parts of the world tour these exciting exhibits revealing the roots of Jerusalem in the Canaanite and Israelite periods, and their enthusiasm for Shilo's work is dimmed only by the horrendous condition of the surrounding landscape. The daily wholesale dumping of household garbage and construction refuse can never be adequately explained to these horrified tourists. The banks of the Kidron Valley are covered with growing meters of trash, and the worse spot is the most beautiful outlook point next to the Unrwa School below The Temple Mount.

It is time for each and every Jerusalemite to appeal to the authorities to bring a swift end to this disgusting desecration of the city's beauty and history, and to clean up the City of David to which Professor Shilo was so dedicated.

DANIEL FRIEDMAN

Jerusalem.

THE IBA STRIKE ABROAD

To the Editor of The Jerusalem Post

Sir, – It is now over a month that the IBA journalists are on strike. Neither the home nor the external service broadcasts can be heard – but those of Israel's enemies are still on the air loud and clear. I am a short-wave listener for several years and I cannot remember such a long strike on an internationally respected network.

Irrespective of whether the demands of the IBA journalists are justified or not I would suggest the establishment of a combined radio network with news in Hebrew, Arabic and English three times a day, aimed at listeners in Israel and throughout the world. Besides these news bulletins, music (easy listening) and an announcement containing the reasons for the strike should constitute the programme.

Lots of listeners abroad probably do not know about the strike; they have only noticed an aggressive beep on the air. If the above-mentioned compromise cannot be reached, the external service facilities should be used to relay the Voice of Peace or the IDF station, or both. To keep transmitters on the air without a programme is a senseless expense.

HARRY NIEBUHR

Celle, West Germany.

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